



# SEATTLE CITY COUNCIL

## Select Budget Committee

### Agenda

Wednesday, June 10, 2020

2:00 PM

Revised

Remote Meeting. Call listen line at 206-684-8566 or access Seattle Channel online.

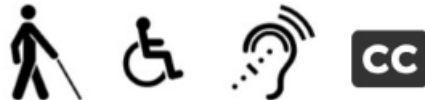
Teresa Mosqueda, Chair  
Lisa Herbold, Vice-Chair  
M. Lorena González, Member  
Debora Juarez, Member  
Andrew J. Lewis, Member  
Tammy J. Morales, Member  
Alex Pedersen, Member  
Kshama Sawant, Member  
Dan Strauss, Member

Chair Info: 206-684-8808; [Teresa.Mosqueda@seattle.gov](mailto:Teresa.Mosqueda@seattle.gov)

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# SEATTLE CITY COUNCIL

## Select Budget Committee

### Agenda

June 10, 2020 - 2:00 PM

Revised

#### Meeting Location:

Remote Meeting. Call listen line at 206-684-8566 or access Seattle Channel online.

#### Committee Website:

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

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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.

*In-person attendance is currently prohibited per the Washington Governor's Proclamation No. 20-28.4 until June 17, 2020. Meeting participation is limited to access by telephone conference line and Seattle Channel online.*

Register online to speak during the Public Comment period at the 2:00 p.m. Select Budget Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Sign-up registration will begin two hours before the 2:00 p.m. Select Budget Committee meeting start time and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to all Councilmembers at [Council@seattle.gov](mailto:Council@seattle.gov)

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 206-684-8566

*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

Register online to speak during the Public Comment period at the 2:00 p.m. Select Budget Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Sign-up registration will begin two hours before the 2:00 p.m. Select Budget Committee meeting start time and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

**D. Items of Business**

1. [CB 119772](#) **AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.**

Supporting

Documents:

[Summary and Fiscal Note](#)

[Presentation - Issue Identification for CBs 119772, 119773, and 119774 \(6/10/20\)](#)

[Central Staff Issue Identification Memo \(6/10/20\)](#)

**Briefing and Discussion**

**Presenter:** Tom Mikesell, Council Central Staff

2. [CB 119773](#) **AN ORDINANCE relating to the financing of responses to the civil emergency; authorizing the loan of funds from the Low Income Housing Fund to the General Fund; authorizing the loan of funds from the Housing Incentive Fund to the General Fund; authorizing the loan of funds from the Families Education and Preschool Promise Levy Fund to the General Fund; authorizing the loan of funds from the Move Seattle Levy Fund to the General Fund; authorizing the loan of funds from the Seattle Parks District Fund to the General Fund; authorizing the loan of funds from the 2019 Library Levy Fund to the General Fund; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.**

*Supporting Documents:*

[Summary and Fiscal Note](#)

[Central Staff Issue Identification Memo \(6/10/20\)](#)

**Briefing and Discussion**

**Presenter:** Dan Eder, Council Central Staff

3. [CB 119774](#) **AN ORDINANCE** establishing a spending plan for the proceeds generated from the payroll expense tax authorized by the ordinance introduced as Council Bill 119772 to fund immediate cash assistance for low-income households impacted by the COVID-19 crisis in 2020 and the development of social housing that is permanently affordable, high-quality, and energy-efficient, to fund housing-related components of Seattle's Green New Deal as articulated in Resolution 31895, and to fund other investments; establishing a Social Housing Board and amending the duties of the Green New Deal Oversight Board to make funding recommendations; establishing a requirement for an Implementation Plan; adding a new Section 3.14.750 to, and amending Section 3.14.979 of, the Seattle Municipal Code; amending Ordinance 126000, which adopted the 2020 Budget; changing appropriations to various departments and budget control levels, and from various funds in the 2020 Budget; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

Attachments: [Att 1 - Proposed Five-Year Spending Plan](#)

Supporting

Documents: [Summary and Fiscal Note](#)

[Central Staff Issue Identification Memo \(6/10/20\)](#)

**Briefing and Discussion**

**Presenters:** Aly Pennucci and Traci Ratzliff, Council Central Staff

4. **Inquest on Seattle Police Department (SPD) Budget**

Supporting

Documents: [Presentation - SPD Budget Overview \(6/10/20\)](#)

**Briefing and Discussion**

*Discussion led by Councilmember Lisa Herbold, Chair of the Public Safety and Human Services Committee*

**Presenters:** Greg Doss, Council Central Staff; Kara Main-Hester, City Budget Office; Angela Socci, Seattle Police Department

**E. Adjournment**



Legislation Text

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**File #: CB 119772, Version: 1**

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**CITY OF SEATTLE**

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

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

AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

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 of Seattle’s 2020 Budget fully appropriates all available municipal revenues to address the many and varied needs of the community; and

WHEREAS, 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 City of Seattle intends to exercise its taxing authority, as granted by the Washington State Constitution and as authorized by the Washington State Legislature; 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.

B. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in 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 adverse 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 Seattle employing a minimum of 655,000 individuals. Since the Governor of Washington State 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 incomes will not be sufficient to meet their basic needs during the COVID-19 public health and economic crisis. Additional financial support to people with low



incomes is necessary to help meet their basic needs such as housing, food, and medical care, 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 seven percent 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. This bill will impose a new payroll expense tax on the largest businesses that will provide new revenues to allow the City, through the procedures described herein, to make immediate cash assistance available to those households most impacted by the COVID-19 civil emergency.

N. The City will provide such immediate cash assistance through Council Bill (CB) 119774.

O. The interfund loan contemplated in CB 119773 is necessary to provide the immediate cash assistance through CB 119774 and is dependent on the tax authorized by this bill 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 CB 119773 would not be feasible if the tax authorized by this bill were overturned by referendum.

Section 2. A new Chapter 5.38 is added to the Seattle Municipal Code as follows:

## **Chapter 5.38 TAX ON CORPORATE PAYROLL**

### **5.38.010 Administrative provisions**

All of the provisions contained in Chapter 5.55 shall have full force and application with respect to taxes imposed under the provisions of this Chapter 5.38 except as may be expressly stated to the contrary herein.

### **5.38.020 Definitions**

The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.38 except as may be expressly stated to the contrary herein. The following additional definitions shall apply throughout this Chapter 5.38:

“Business” has the same meaning as that term is defined in SMC 5.30.020. Depending on the context, “business” may also mean a person engaging in business in Seattle.

“Compensation” means remuneration as that term is defined in RCW 50A.05.010, net distributions, or incentive payments, including guaranteed payments, whether based on profit or otherwise, earned for services rendered or work performed, whether paid directly or through an agent, and whether in cash or in property or the right to receive property. “Compensation” does not include payments to an owner of a pass-through entity that are not earned for services rendered or work performed, such as return of capital, investment income, or other income from passive activities.

“Employee” means any individual who performs work, labor, or personal services of any nature for compensation paid by a business. For purposes of this Chapter 5.38, the term “employee”:

1. Includes individuals who are members of limited liability companies, members of professional limited liability companies, partners, other owners of pass-through entities, and sole proprietors; and
2. Includes individuals who would be considered to be independent contractors for purposes of the business license tax under subsection 5.45.090.S.

“Grocery business” means:

1. A business whose primary business is making retail sales of food and food ingredients to consumers that are exempt from the retail sales tax under RCW 82.08.0293; and
2. A business whose primary business is making wholesale sales of food and food ingredients that will be exempt from the retail sales tax under RCW 82.08.0293 when resold by the purchaser.

For subsections (1) and (2) of this definition, “primary business” means that 75 percent of the gross

income of the business for purposes of calculating the business license tax under Chapter 5.45 is attributable to that business activity.

“Local government entity” has the same meaning as that term is defined in RCW 4.96.010.

“Net distribution” means the draws from net income by any owner of a pass-through entity. Taxable distributions are limited by the amount of draws or net income for that owner, whichever is less. If the owner’s draw exceeds that individual’s net profit, the excess draw is a return of capital. A return of capital is not taxable because it is a liquidation of an owner’s assets.

“Pass-through entity” includes a trust, partnership, corporation described in Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability partnership, professional corporation, and any other person or entity which is not subject to the income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or which is allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such person or entity.

“Payroll expense” means the compensation paid in Seattle to employees. Compensation is paid in Seattle to an employee if:

1. The employee is primarily assigned within Seattle;
2. The employee is not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of the employee’s service for the tax period in Seattle; or
3. The employee is not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of the employee’s service in any one city, and the employee resides in Seattle.

“Primarily assigned” means the business location of the taxpayer where the employee performs the employee’s duties.

“Remuneration” has the same meaning as that term is defined in RCW 50A.05.010.

“Tax on corporate payroll” means the payroll expense tax imposed by this Chapter 5.38.

“Taxpayer” means any person who engages in any business in Seattle or who performs any act for

which a tax is imposed under this Chapter 5.38.

#### **5.38.030 Tax imposed-Rate**

A. A tax on corporate payroll is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the tax on corporate payroll due shall be the payroll expense of the business for the tax period, subject to any deductions authorized under this Chapter 5.38, and multiplied by a rate of 1.30 percent.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees' compensation to pay for this tax.

#### **5.38.040 Allocation and apportionment**

A. The Director may adopt procedures to allow taxpayers who have payroll expenses consisting of work done and services provided within and outside Seattle to use a representative test period or conduct a survey based on factual data to arrive at a formula with which to calculate the percentage of payroll expense attributable to Seattle. Any formula so established will be subject to review and correction by the Director.

B. If the payroll expense as defined in Section 5.38.020 does not fairly represent the extent of the compensation paid by the taxpayer to its employees that is attributable to work performed or services rendered in Seattle, the taxpayer may petition the Director for, or the Director may require, the employment of another method to effectuate an equitable allocation and apportionment.

C. Nothing in this Chapter 5.38 shall be construed as requiring the payment of any tax for engaging in business when such payment would be in violation of the Constitution or a statute of the United States or of the Constitution or a statute of the State of Washington. Notwithstanding anything to the contrary herein, if imposition of the City's tax would place an undue burden upon interstate commerce or violate other constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City's tax to as much of the taxpayer's activities as may be subject to the

City's taxing authority.

D. Businesses engaging temporary or contracted employees shall report and pay the tax on the payroll expense of such temporary or contracted employees, whether or not they are from an employment agency.

### **5.38.050 Exemptions from the tax on corporate payroll**

A. The following are exempt from the tax on corporate payroll:

1. Any business having payroll expense, as defined under subsection 5.38.020, of \$7,000,000 or less in the most recent complete calendar year.

2. Any business engaged in business in Seattle as a grocery business.

3. Any business having a formally recognized exemption from income tax pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as amended.

4. Any individual who is an independent contractor for purposes of the business license tax under Section 5.45.090.S and whose compensation is included in the payroll expense of another business subject to the tax imposed by Section 5.38.030.

5. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:

a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.

b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.

d. Federal and state government agencies and any local governmental entity.

B. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust the

amount of the exemption in subsection 5.38.050.A.1 as follows:

1. The amount shall increase commensurate with the rate of growth of the prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor;
2. If the annual change in the CPI-U is negative, no adjustment to the amount must be made; and
3. The amount calculated shall be rounded to the nearest whole dollar.

#### **5.38.060 Tax on corporate payroll-When due**

The tax on corporate payroll imposed by this Chapter 5.38 shall be due and payable in accordance with Section 5.55.040. The tax on corporate payroll shall be due and payable on an annual basis for 2020 and the measure of the tax shall be prorated based on the effective date of the tax. For years subsequent to 2020, the tax on corporate payroll shall be due quarterly. Notwithstanding Section 5.55.040, the tax due for 2020 and 2021 shall be payable on the same date that the tax payment for the fourth quarter of 2021 is due. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the tax on corporate payroll at the same time as they file their final business license tax return under Chapter 5.45.

#### **5.38.070 Tax in addition to other license fees or taxes**

The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute, or ordinance whether imposed or levied by the City, the State, or other governmental entity or political subdivision.

#### **5.38.080 Tax part of operating overhead**

It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

**5.38.090 Rules and regulations**

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but not limited to rules to determine the payroll expense attributable to work performed and services rendered by employees in Seattle.

Section 3. Section 5.30.010 of the Seattle Municipal Code, last amended by Ordinance 125934, is amended as follows:

**5.30.010 Definition provisions**

The definitions contained in this Chapter 5.30 shall apply to the following chapters of the Seattle Municipal Code: Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and 5.55 (General Administrative Provisions) unless expressly provided for otherwise therein, and shall also apply to other chapters and sections of the Seattle Municipal Code in the manner and to the extent expressly indicated in each chapter or section. Words in the singular number shall include the plural and the plural shall include the singular. Words in one gender shall include all other genders.

Section 4. Subsections 5.30.060.B and 5.30.060.C of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**5.30.060 Definitions, T-Z**

\* \* \*

B. “Taxable gross income of the business and the value of products,” as used in Section 5.55.030 to determine the business license tax certificate fee, and “taxable gross income” (~~means~~) mean the taxpayer’s total amount of gross proceeds of sale, gross income of the business, and the value of products, less any deductions available to the taxpayer under Chapter 5.45.

C. “Taxpayer” means any “person,” as herein defined, required by Chapter 5.55 to have a business license tax certificate, or liable for any license, tax, or fee, or for the collection of any tax or fee, under Chapters 5.32 (Revenue Code), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax), or who engages in any business or who performs any act for which a tax or fee is imposed under those chapters.

\* \* \*

Section 5. Section 5.55.010 of the Seattle Municipal Code, which was last amended by Ordinance 125934, is amended as follows:

**5.55.010 Application of chapter stated**

Unless expressly stated to the contrary in each chapter, the provisions of this Chapter 5.55 shall apply with respect to the licenses and taxes imposed under this Chapter 5.55 and Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), 5.53 (Sweetened Beverage Tax), and under other titles, chapters, and sections in such manner and to such extent as indicated in each such title, chapter, or section.

Section 6. Subsection 5.55.040.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**5.55.040 When due and payable-Reporting periods-Monthly, quarterly, and annual returns-Threshold provisions-Computing time periods-Failure to file returns p**

A. Other than any annual license fee or registration fee assessed under this Chapter 5.55, the taxes imposed by Chapters 5.32 (Amusement Devices), 5.35 (Commercial Parking Tax), 5.38 (Tax on Corporate



Payroll), 5.39 (Transportation Network Company Tax), 5.40 (Admission Tax), 5.45 (Business License Tax), 5.46 (Square Footage Tax), 5.47 (Heating Oil Tax), 5.48 (Business Tax-Utilities), 5.50 (Firearms and Ammunition Tax), 5.52 (Gambling Tax), and 5.53 (Sweetened Beverage Tax) shall be due and payable in quarterly installments. The Director may use discretion to assign businesses to a monthly or annual reporting period depending on the tax amount owing or type of tax. Taxes imposed by subsections 5.52.030.A.2 and 5.52.030.B.2 for punch boards and pull-tabs shall be due and payable in monthly installments. Tax returns and payments are due on or before the last day of the next month following the end of the assigned reporting period covered by the return.

\* \* \*

Section 7. Subsection 5.55.060.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**5.55.060 Records to be preserved-Examination-Inspection-Search warrants-Estoppel to question assessment**

A. Every person liable for any fee or tax imposed by this Chapter 5.55 and Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53 shall keep and preserve, for a period of five years after filing a tax return, such records as may be necessary to determine the amount of any fee or tax for which the person may be liable; which records shall include copies of all federal income tax and state tax returns and reports made by the person. All books, records, papers, invoices, ticket stubs, vendor lists, gambling games, and payout information, inventories, stocks of merchandise, and other data, including federal income tax and state tax returns, and reports needed to determine the accuracy of any taxes due, shall be open for inspection or examination at any time by the Director or a duly authorized agent. Every person’s business premises shall be open for inspection or examination by the Director or a duly authorized agent. For the purposes of this Section 5.55.060, for the tax imposed by Chapter 5.53, “business premises” means wherever the person’s business records and tax documents are maintained and does not mean every site owned or operated by the person.

\* \* \*

Section 8. Subsection 5.55.150.E of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**5.55.150 Appeal to the Hearing Examiner**

\* \* \*

E. The Hearing Examiner shall ascertain the correct amount of the tax, fee, interest, or penalty due either by affirming, reversing, or modifying an action of the Director. Reversal or modification is proper if the Director's assessment or refund denial violates the terms of this Chapter 5.55, or Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53.

\* \* \*

Section 9. Section 5.55.165 of the Seattle Municipal Code, which section was last amended by Ordinance 125934, are amended as follows:

**5.55.165 Director of Finance and Administrative Services to make rules**

The Director of Finance and Administrative Services shall have the power and it shall be the Director's duty, from time to time, to adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.55, with Chapters 5.30, 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.47, 5.46, 5.48, 5.50, 5.52, or 5.53, or with law for the purpose of carrying out the provisions of such chapters, and it shall be unlawful to violate or fail to comply with any such rule or regulation.

Section 10. Subsections 5.55.220.A and 5.55.220.B of the Seattle Municipal Code, which section was last amended by Ordinance 125934, are amended as follows:

**5.55.220 Unlawful actions-Violation-Penalties**

A. It shall be unlawful for any person subject to the provisions of this Chapter 5.55 or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53:

1. To violate or fail to comply with any of the provisions of this Chapter 5.55, or Chapters 5.32,

5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53, or any lawful rule or regulation adopted by the Director;

2. To make or manufacture any license required by this Chapter 5.55 except upon authority of the Director;

3. To make any false statement on any license, application, or tax return;

4. To aid or abet any person in any attempt to evade payment of a license fee or tax;

5. To refuse admission to the Director to inspect the premises and/or records as required by this Chapter 5.55, or to otherwise interfere with the Director in the performance of duties imposed by Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53;

6. To fail to appear or testify in response to a subpoena issued pursuant to Section 3.02.120 in any proceeding to determine compliance with this Chapter 5.55 and Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53;

7. To testify falsely in any investigation, audit, or proceeding conducted pursuant to this Chapter 5.55;

8. To continue to engage in any business activity, profession, trade, or occupation after the revocation of or during a period of suspension of a business license tax certificate issued under Section 5.55.030; or

9. In any manner, to hinder or delay the City or any of its officers in carrying out the provisions of this Chapter 5.55 or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, and 5.53.

B. Each violation of or failure to comply with the provisions of this Chapter 5.55, or Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53 shall constitute a separate offense. Except as provided in subsection 5.55.220.C, any person who commits an act defined in subsection 5.55.220.A is guilty of a gross misdemeanor, punishable in accordance with Section 12A.02.070. The provisions of Chapters 12A.02 and 12A.04 apply to the offenses defined in subsection 5.55.220.A, except that liability is absolute and

none of the mental states described in Section 12A.04.030 need be proved.

\* \* \*

Section 11. Subsection 5.55.230.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**5.55.230 Denial, revocation of, or refusal to renew business license tax certificate**

A. The Director, or the Director’s designee, has the power and authority to deny, revoke, or refuse to renew any business license tax certificate or amusement device license issued under the provisions of this Chapter 5.55. The Director, or the Director’s designee, shall notify such applicant or licensee in writing by mail in accordance with Section 5.55.180 of the denial of, revocation of, or refusal to renew the license and on what grounds such a decision was based. The Director may deny, revoke, or refuse to renew any business license tax certificate or other license issued under this Chapter 5.55 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 5.55.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, 5.52, or 5.53.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.

\* \* \*

Section 12. Subsection 6.208.020.A of the Seattle Municipal Code, which section was last amended by Ordinance 125934, is amended as follows:

**6.208.020 Denial, revocation of, or refusal to renew business license**

A. In addition to any other powers and authority provided under this Title 6, the Director, or the Director’s designee, has the power and authority to deny, revoke, or refuse to renew any business license issued under the provisions of this Chapter 6.208. The Director, or the Director’s designee, shall notify such applicant or licensee in writing by mail of the denial, revocation of, or refusal to renew the license and on what grounds

such a decision was based. The Director may deny, revoke, or refuse to renew any license issued under this Chapter 6.208 on one or more of the following grounds:

1. The license was procured by fraud or false representation of fact.
2. The licensee has failed to comply with any provisions of this Chapter 6.208.
3. The licensee has failed to comply with any provisions of Chapters 5.32, 5.35, 5.38, 5.39, 5.40, 5.45, 5.46, 5.47, 5.48, 5.50, or 5.52.
4. The licensee is in default in any payment of any license fee or tax under Title 5 or Title 6.
5. The property at which the business is located has been determined by a court to be a chronic nuisance property as provided in Chapter 10.09.
6. The applicant or licensee has been convicted of theft under subsection 12A.08.060.A.4 within the last ten years.
7. The applicant or licensee is a person subject within the last ten years to a court order entering final judgment for violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207, and the judgment was not satisfied within 30 days of the later of either: a. The expiration of the time for filing an appeal from the final judgment order under the court rules in effect at the time of the final judgment order; or b. If a timely appeal is made, the date of the final resolution of that appeal and any subsequent appeals resulting in final judicial affirmation of the findings of violations of chapters 49.46, 49.48, or 49.52 RCW, or 29 U.S.C. 206 or 29 U.S.C. 207.
8. The applicant or licensee is a person subject within the last ten years to a final and binding citation and notice of assessment from the Washington Department of Labor and Industries for violations of chapters 49.46, 49.48, or 49.52 RCW, and the citation amount and penalties assessed therewith were not satisfied within 30 days of the date the citation became final and binding.
9. Pursuant to subsections 14.16.100.A.4, 14.17.075.A, 14.19.100.A.4, 14.20.080.A.4, 14.22.115.A.4, and 14.23.115.A.4, the applicant or licensee has failed to comply, within 30 days of service of

any settlement agreement, with any final order issued by the Director of the Office of Labor Standards, or any final order issued by the Hearing Examiner under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 for which all appeal rights have been exhausted, and the Director of the Office of Labor Standards has requested that the Director deny, refuse to renew, or revoke any business license held or requested by the applicant or licensee. The denial, refusal to renew, or revocation shall remain in effect until such time as the violation(s) under Chapters 14.16, 14.17, 14.19, 14.20, 14.22, and 14.23 are remedied.

10. The business is one that requires an additional license under this Title 6 and the business does not hold that license.

11. The business has been determined under a separate enforcement process to be operating in violation of law.

\* \* \*

Section 13. Severability. If any part, provision, or section of this ordinance is held to be void or unconstitutional, all other parts, provisions, and sections of this ordinance not expressly so held to be void or unconstitutional shall continue in full force and effect.

Section 14. Effective date of tax. Sections 1 through 13 of this ordinance shall take effect on June 1, 2020.

Section 15. 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 16. By reason of the findings set out in Section 1 of this ordinance, and the emergency that is hereby declared to exist, this ordinance shall become effective immediately upon its passage by a 3/4 vote of the Council and its approval by the Mayor, as provided by Article IV, subsection 1.1 of the Charter of the City.

Passed by a 3/4 vote of all 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)

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislative	Tom Mikesell 4-8735/ Dan Eder 4-8147	

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to taxation; imposing a payroll expense tax on persons engaging in business in Seattle; adding a new Chapter 5.38 to the Seattle Municipal Code; amending Sections 5.30.010, 5.30.060, 5.55.010, 5.55.040, 5.55.060, 5.55.150, 5.55.165, 5.55.220, 5.55.230, and 6.208.020 of the Seattle Municipal Code; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

**Summary and background of the Legislation:** This council bill would impose a 1.3% tax on business payrolls of \$7 million or more annually. Federal and state government entities, nonprofit organizations, grocery stores, and businesses preempted from taxation by cities under federal or Washington State laws, and businesses with payrolls below the \$7 million threshold, would be exempt.

To generate revenue to meet needs from the COVID-19 civil emergency, the corporate payroll tax would be imposed effective June 1, 2020 and would generate approximately \$500 million annually. While the tax is effective June 1, 2020, payments for 2020 are due with the final tax payment for 2021. Partial year payments for 2020 total \$286.4 million.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes  No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Project Cost Through 2025:</b>

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes  No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

<b>Appropriation change (\$):</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
<b>Estimated revenue change (\$):</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	



	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>
		<b>\$786,400,000</b>		
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2020</b>	<b>2021</b>	<b>2020</b>	<b>2021</b>

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Implementing the corporate payroll tax would require both one-time startup costs (including costs to update or create new computer systems) and ongoing administrative costs. The Department of Finance and Administrative Services estimates these costs would include approximately \$5 million in one-time system costs, \$500,000 in annual system operating costs, 12-15 FTE positions, and \$400,000 in one-time operating costs.

**Is there financial cost or other impacts of *not* implementing the legislation?**

Estimate the costs to the City of not implementing the legislation, including estimated costs to maintain or expand an existing facility or the cost avoidance due to replacement of an existing facility, potential conflicts with regulatory requirements, or other potential costs or consequences.

This council bill provides the revenue to repay a \$200 million interfund loan to the General Fund in 2020, that is included in Council Bill [redacted]. Not implementing this legislation but approving the interfund loan in Council Bill would require that the loan be repaid from existing General Fund resources, which are otherwise fully programmed for 2020.

If there are no changes to appropriations, revenues, or positions, please delete sections 3.a., 3.b., and 3.c. and answer the questions in Section 4.

**3.a. Appropriations**

     **This legislation adds, changes, or deletes appropriations.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/#*	2020 Appropriation Change	2021 Estimated Appropriation Change
<b>TOTAL</b>				

*\*See budget book to obtain the appropriate Budget Control Level for your department.*

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

**Is this change one-time or ongoing?**

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

**This legislation adds, changes, or deletes revenues or reimbursements.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
General Fund 001000		Corporate Payroll Tax	\$0	\$786,400,000
<b>TOTAL</b>			<b>\$0</b>	<b>\$786,400,000</b>

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?

**Is this change one-time or ongoing?**

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

Ongoing.

**Revenue/Reimbursement Notes:**

The bill would generate approximately \$500 million annually. While the tax is effective June 1, 2020, payments for 2020 are due with the final tax payment for 2021. Partial year payments for 2020 total \$286.4 million, bringing the first year’ revenue to \$786.4 million, reflecting both 2020 and 2021 tax payments.

**3.c. Positions**

**This legislation adds, changes, or deletes positions.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2020 Positions	2020 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

**Position Notes:**

#### 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**

If so, please list the affected department(s) and the nature of the impact (financial, operational, etc.).

This ordinance would generate both one-time setup and ongoing administrative costs for the Department of Finance & Administrative Services. See 3.b above.

**b. Is a public hearing required for this legislation?**

If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?

No.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

If yes, please describe the measures taken to comply with RCW 64.06.080.

No.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.

No.

**e. Does this legislation affect a piece of property?**

If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.

No.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

If yes, please explain how this legislation may impact vulnerable or historically disadvantaged communities. Using the racial equity toolkit is one way to help determine the legislation's impact on certain communities. If any aspect of the legislation involves communication or outreach to the public, please describe the plan for communicating with non-English speakers.

The proceeds from the taxes to be collected under this council bill would be used repay an interfund loan that supports emergency cash assistance payments in 2020. In 2021 and thereafter proceeds support affordable housing and housing-related Green New Deal investments adopted in Resolution 31895.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

This answer should highlight measurable outputs and outcomes.

While this ordinance would generate revenues to support expanded programming, it does not directly establish or expand any initiatives or programs.

**List attachments/exhibits below:**



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Payroll Expense Tax Legislative Package

Council Bills 119772, 119773 & 119774

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DAN EDER, ALY PENNUCCI, TOM MIKESELL, AND TRACI RATZLIFF

SELECT BUDGET COMMITTEE | JUNE 10, 2020

# AGENDA

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## Issue Identification and Discussion for:

- **Payroll Expense Tax (CB 119772):** Tom Mikesell *(page 2)*
- **Interfund Loan (CB 119773):** Dan Eder *(page 4)*
- **Spending Plan (CB 119774):** Traci Ratzliff & Aly Pennucci *(page 6)*

# Payroll Expense Tax Overview

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- ❑ Annual Revenue: \$500 million
- ❑ Tax Structure
  - ❑ Rate: 1.3%
  - ❑ Exemptions:
    - ❑ All Business Payrolls Below \$7 million
    - ❑ Specifically Exempted Businesses
- ❑ Effective June 1, 2020

# Payroll Tax: Issue ID & Options

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- 1. Technical and Clarifying Corrections - *options:***
  - No Action
  - Adopt proposed Amendment 1 (Attachment A)
  
- 2. Add, Remove or Modify Exemptions- *options:***
  - No Action
  - Adopt proposed Amendment 2 (Attachment B)
  - Adopt proposed Amendment 3 (Attachment C)
  - Adopt both Amendment 2 & 3
  
- 3. Revise Applicability to Alternate Business Structures- *options:***
  - No Action
  - Adopt proposed Amendment 4 (Attachment D)



# Interfund Loan Overview

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- Cumulative Loan Amount
- Six Potential Fund Sources
- Minimizing Impacts
- Emergency Clause

# Interfund Loan: Issue ID & Options

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## 1. Source Funds - *options:*

- No Action
- Remove the Housing Incentive Fund from the list of source funds.

## 2. Authorized Source Fund Amounts - *options:*

- No Action
- Increase the Low-Income Housing Fund loan from \$50 million to \$200 million.

## 3. Cumulative Loan Amount - *options:*

- No Action
- Decrease the amount of the interfund loan (below \$200 million).

# Spending Plan Overview

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- ❑ **2020:** Authorize \$200 million in 2020 for direct cash assistance
- ❑ **2021 & Beyond:** \$205 million in 2021 for IFL principal and interest. Remaining monies (minus administrative costs) distributed as follows:
  - 75% to social housing investments
  - 25% to implement Green New Deal strategies
- ❑ **Establish Social Housing Oversight Board**
- ❑ **Emergency Clause**

# Spending Plan: Issue ID & Options

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## 1. Technical and Clarifying Corrections - *options:*

- No Action
- Adopt proposed Amendment 1 (Attachment A)

## 2. Emergency Cash Assistance - *options:*

- No Action
- Adopt proposed Amendment 2 (Attachment B)
- Adopt proposed Amendment 3 (Attachment C)

## 3. Spending Categories - *options:*

- No Action
- Adopt proposed Amendment 4 (Attachment D)
- Amend to include other spending categories

# Spending Plan: Issue ID & Options

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- 5. Income levels served by Social Housing Investments - *options:***
  - No Action
  - Adopt proposed Amendment 5 (Attachment E)
  
- 6. Implementation Plan Submittal date and Process for development - *options:***
  - No Action
  - Adopt proposed Amendment 5 (Attachment F)
  - Amend to include an alternate schedule for adoption of an Implementation Plan

# Questions?

June 9, 2020

## MEMORANDUM

**To:** Select Budget Committee  
**From:** Tom Mikesell, Analyst  
**Subject:** CB 119772: Payroll Expense Tax Package - Tax

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The Select Budget Committee (Committee) will continue its discussion on the proposed Payroll Expense Tax package (aka Tax on Corporate Payroll) on June 10, 2020. This tax package includes the following three bills:

1. [Council Bill \(CB\) 119772](#) – Tax
2. [CB 119773](#) – Interfund Loan
3. [CB 119774](#) – Spending Plan and Appropriation

This memo describes CB 119772 (Tax), as well as issues, proposed amendments and options for the Committee’s consideration. Central Staff summary and background memos are available via the [April 22](#) and [April 29](#) Select Committee agendas.

### **CB 119772 (Tax Bill)**

The proposed tax bill would:

- Raise \$500 million annually from a 1.3% tax on corporate payroll expense from non-exempt businesses with total annual Seattle payrolls greater than \$7 million; and
- Exempt the following businesses irrespective of size of payroll expense:
  - Non-profit organizations;
  - Educational employers;
  - Grocery stores;
  - Local government employers;
  - Entities for which the City does not have taxing authority, specifically,
    - federal government and its subsidiaries;
    - state government and its subsidiaries;
    - insurance businesses and their agents ([SMC 5.45.090](#));
    - businesses that only sell, manufacture, or distribute motor vehicle fuel ([RCW 82.38.080](#)); and
    - businesses that only sell or distribute liquor ([RCW 66.08.120](#)).
- Become Effective June 1, 2020. Estimated corporate tax liability in 2020 would total \$286.4 million, representing seven months of collection.

## **CB 119772: Issue Identification**

Issues identified to date, as well as proposed amendments by Councilmember Sawant and associated options discussed herein are not exhaustive. Additional amendment options may be identified during the Committee's review.

### **1. Technical and Clarifying Corrections**

CB 119772, as introduced on April 6, 2020, includes a June 1, 2020 effective date. However, the Committee's deliberation on the proposed tax package has extended beyond that date. Consequently, Amendment 1 (Attachment A) would be needed to revise the effective date to July 1, 2020 if this tax package advances. It is estimated that this tax would raise \$245.5 million over a period of six months (July through December 31, 2020) as opposed to \$286.4 million over a period of seven months.

#### Options:

1. No action.
2. Adopt Amendment 1.

### **2. Add, Remove or Modify Exemptions**

As noted earlier, the following businesses would be exempt from the tax:

- Businesses with total annual Seattle payroll below \$7 million;
- Non-profit organizations;
- Educational employers;
- Grocery stores;
- Local government employers; and
- Those entities for which the City does not have authority to tax, specifically:
  - federal government and its subsidiaries;
  - state government and its subsidiaries;
  - insurance businesses and their agents<sup>1</sup> ;
  - businesses that only sell, manufacture, or distribute motor vehicle fuel<sup>2</sup>; and,
  - businesses that only sell or distribute liquor<sup>3</sup>.

This list can be expanded, reduced, or redefined. Amendment 2 (Attachment B) would add consumer directed employers and home care agencies that receive Medicare funding to the list of exemptions. State law defines these two new categories of employers, as follows:

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<sup>1</sup> [SMC 5.45.090](#)

<sup>2</sup> [RCW 82.38.080](#)

<sup>3</sup> [RCW 66.08.120](#)



- Consumer directed employer: "... a private entity that contracts with the (State Department of Social and Health Services) to be the legal employer of individual providers for purposes of performing administrative functions. <sup>4</sup>
- Home care agency: "... a person administering or providing home care services directly or through a contract arrangement to individuals in places of temporary or permanent residence"<sup>5</sup>

Amendment 3 (Attachment C) would revise the bill's grocery store exemption. As introduced, the bill defines a grocery business as receiving 75% or more of its revenue from the sale of tax-exempt food. Amendment 3 would lower that threshold to a lower percentage. The percentage in the introduced amendment will be based on stakeholder feedback.

#### Options:

1. No action.
2. Adopt Amendment 2 to exempt from the tax consumer directed employers and home care agencies that receive Medicare funding.
3. Adopt Amendment 3 to lower the percent of total revenue from sales of tax-exempt food that is required to be categorized as a grocery store.
4. Adopt both Amendment 2 and Amendment 3.

### **3. Revise Applicability to Alternate Business Structures**

As described above, the proposed bill exempts businesses with Seattle payrolls lower than \$7 million. The calculation of payrolls against that threshold would depend on the business structure. The [April 17, 2020 Central Staff memo](#) describes how the total payroll expense for the two alternate business structures would be calculated:

- **Integrated enterprise**: an organization that informally operates and advertises as a single business but is a collection of related and independently licensed businesses. Each independent business payroll would be measured against the exemption threshold, rather than the aggregate of these businesses; and,
- **Franchise Business**: an individual business that is granted "the right or license ...to market a company's goods or services in a particular territory"<sup>6</sup>. These business hold licenses independent from the larger regional, national or international company and would be treated as discrete businesses for the purpose of calculating the tax.

One option described in Amendment 4 (Attachment D) would modify the treatment of integrated enterprises such that the Seattle payroll for discrete businesses organized as integrated enterprises would be aggregated for purposes of calculating tax liability.

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<sup>4</sup> [RCW 74.39A.009\(7\)](#)

<sup>5</sup> [RCW 70.127.010\(7\)](#)

<sup>6</sup> <https://www.merriam-webster.com/dictionary/franchise>

Options:

1. No action.
2. Adopt Amendment 4 to define an integrated enterprise as a single business for calculating tax liability.

**Attachments:**

- A. Proposed Amendment 1
- B. Proposed Amendment 2
- C. Proposed Amendment 3
- D. Proposed Amendment 4

cc: Kirstan Arestad, Executive Director  
Dan Eder, Deputy Director

Amendment 1 to CB 119772

V1

**Amendment 1 to CB 119772:**

Sponsor: Technical amendment

Meeting: Select Budget Committee

Date: June 10, 2020

Description:

This would amend CB 119772 to change the effective date from June 1, 2020 to July 1, 2020.

Notes:

Double underlines indicate new language to be added.

~~Double strikethroughs indicate~~ language proposed to be removed.

**Amendments**

1. Amend Section 14 to Council Bill 119772, as follows:

Section 14. Effective date of tax. Sections 1 through 13 of this ordinance shall take effect on ~~June~~July 1, 2020.

Amendment 2 to CB 119772 – Corporate Payroll Expense Tax

V1

**Amendment 2 to CB 119772:**

Sponsor: Councilmember Sawant

Meeting: Select Budget Committee

Date: June 10, 2020

Description:

This would amend CB 119772 to exempt home care agencies from the corporate payroll expense tax imposed by the bill.

Notes:

Double underlines indicate new language to be added.

~~Double strikeouts indicate~~ language proposed to be removed.

**Amendments**

1. Amend Section 5.38.050 as shown:

**5.38.050 Exemptions from the tax on corporate payroll**

A. The following are exempt from the tax on corporate payroll:

1. Any business having payroll expense, as defined under subsection 5.38.020, of \$7,000,000 or less in the most recent complete calendar year.
2. Any business engaged in business in Seattle as a grocery business.
3. Any business having a formally recognized exemption from income tax pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as amended.
4. Any individual who is an independent contractor for purposes of the business license tax under Section 5.45.090.S and whose compensation is included in the payroll expense of another business subject to the tax imposed by Section 5.38.030.

5. Any business engaged in business as a consumer directed employer as defined in RCW

74.39A.009.

6. Any business engaged in business as a home care agency as defined in RCW

70.127.010, licensed under RCW 70.127 and receiving funding under provisions of RCW 74.39A.310

57. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:

a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.

b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.

d. Federal and state government agencies and any local governmental entity.

B. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust the amount of the exemption in subsection 5.38.050.A.1 as follows:

1. The amount shall increase commensurate with the rate of growth of the prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor;

2. If the annual change in the CPI-U is negative, no adjustment to the amount must be made; and

3. The amount calculated shall be rounded to the nearest whole dollar.

Amendment 3 to CB 119772

V1

**Amendment 3 to CB 119772:**

Sponsor: Councilmember Sawant

Meeting: Select Budget Committee

Date: June 10, 2020

Description:

This would amend CB 119772 to define a grocery business as a business that receives      percent of its total revenue from sale of tax-exempt food. The definition in the bill as introduced includes 75% as the threshold percentage.

Notes:

Double underlines indicate new language to be added.

~~Double strikethroughs indicate~~ language proposed to be removed.

**Amendments**

1. Amend Section 2 of Council Bill 119772, as follows:

Section 2. A new Chapter 5.38 is added to the Seattle Municipal Code as follows:

**Chapter 5.38 TAX ON CORPORATE PAYROLL**

**5.38.010 Administrative provisions**

All of the provisions contained in Chapter 5.55 shall have full force and application with respect to taxes imposed under the provisions of this Chapter 5.38 except as may be expressly stated to the contrary herein.

**5.38.020 Definitions**

The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.38 except as may be expressly stated to the contrary herein. The following additional definitions shall apply throughout this Chapter 5.38:

“Business” has the same meaning as that term is defined in SMC 5.30.020. Depending on the context, “business” may also mean a person engaging in business in Seattle.

“Compensation” means remuneration as that term is defined in RCW 50A.05.010, net distributions, or incentive payments, including guaranteed payments, whether based on profit or otherwise, earned for services rendered or work performed, whether paid directly or through an agent, and whether in cash or in property or the right to receive property. “Compensation” does not include payments to an owner of a pass-through entity that are not earned for services rendered or work performed, such as return of capital, investment income, or other income from passive activities.

“Employee” means any individual who performs work, labor, or personal services of any nature for compensation paid by a business. For purposes of this Chapter 5.38, the term “employee”:

1. Includes individuals who are members of limited liability companies, members of professional limited liability companies, partners, other owners of pass-through entities, and sole proprietors; and
2. Includes individuals who would be considered to be independent contractors for purposes of the business license tax under subsection 5.45.090.S.

“Grocery business” means:

1. A business whose primary business is making retail sales of food and food ingredients to consumers that are exempt from the retail sales tax under RCW 82.08.0293; and
2. A business whose primary business is making wholesale sales of food and food ingredients that will be exempt from the retail sales tax under RCW 82.08.0293 when resold by the purchaser.

For subsections (1) and (2) of this definition, “primary business” means that        percent of the gross income of the business for purposes of calculating the business license tax under Chapter 5.45 is attributable to that business activity.

“Local government entity” has the same meaning as that term is defined in RCW 4.96.010.

“Net distribution” means the draws from net income by any owner of a pass-through entity. Taxable distributions are limited by the amount of draws or net income for that owner, whichever is less. If the owner’s draw exceeds that individual’s net profit, the excess draw is a return of capital. A return of capital is not taxable because it is a liquidation of an owner’s assets.

“Pass-through entity” includes a trust, partnership, corporation described in Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability partnership, professional corporation, and any other person or entity which is not subject to the income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or which is allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such person or entity.

“Payroll expense” means the compensation paid in Seattle to employees. Compensation is paid in Seattle to an employee if:

1. The employee is primarily assigned within Seattle;
2. The employee is not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of the employee’s service for the tax period in Seattle; or
3. The employee is not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of the employee’s service in any one city, and the employee resides in Seattle.

“Primarily assigned” means the business location of the taxpayer where the employee performs the employee’s duties.

“Remuneration” has the same meaning as that term is defined in RCW 50A.05.010.

“Tax on corporate payroll” means the payroll expense tax imposed by this Chapter 5.38.



“Taxpayer” means any person who engages in any business in Seattle or who performs any act for which a tax is imposed under this Chapter 5.38.

**5.38.030 Tax imposed—Rate**

A. A tax on corporate payroll is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the tax on corporate payroll due shall be the payroll expense of the business for the tax period, subject to any deductions authorized under this Chapter 5.38, and multiplied by a rate of 1.30 percent.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees’ compensation to pay for this tax.

**5.38.040 Allocation and apportionment**

A. The Director may adopt procedures to allow taxpayers who have payroll expenses consisting of work done and services provided within and outside Seattle to use a representative test period or conduct a survey based on factual data to arrive at a formula with which to calculate the percentage of payroll expense attributable to Seattle. Any formula so established will be subject to review and correction by the Director.

B. If the payroll expense as defined in Section 5.38.020 does not fairly represent the extent of the compensation paid by the taxpayer to its employees that is attributable to work performed or services rendered in Seattle, the taxpayer may petition the Director for, or the Director may require, the employment of another method to effectuate an equitable allocation and apportionment.

C. Nothing in this Chapter 5.38 shall be construed as requiring the payment of any tax for engaging in business when such payment would be in violation of the Constitution or a statute of the United States or of the Constitution or a statute of the State of Washington. Notwithstanding anything to the contrary herein, if imposition of the City’s tax would place an undue burden upon interstate

commerce or violate other constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City's tax to as much of the taxpayer's activities as may be subject to the City's taxing authority.

D. Businesses engaging temporary or contracted employees shall report and pay the tax on the payroll expense of such temporary or contracted employees, whether or not they are from an employment agency.

### **5.38.050 Exemptions from the tax on corporate payroll**

A. The following are exempt from the tax on corporate payroll:

1. Any business having payroll expense, as defined under subsection 5.38.020, of \$7,000,000 or less in the most recent complete calendar year.
2. Any business engaged in business in Seattle as a grocery business.
3. Any business having a formally recognized exemption from income tax pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as amended.
4. Any individual who is an independent contractor for purposes of the business license tax under Section 5.45.090.S and whose compensation is included in the payroll expense of another business subject to the tax imposed by Section 5.38.030.
5. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:
  - a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.
  - b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.

B. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust the amount of the exemption in subsection 5.38.050.A.1 as follows:

1. The amount shall increase commensurate with the rate of growth of the prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor;
2. If the annual change in the CPI-U is negative, no adjustment to the amount must be made; and
3. The amount calculated shall be rounded to the nearest whole dollar.

**5.38.060 Tax on corporate payroll—When due**

The tax on corporate payroll imposed by this Chapter 5.38 shall be due and payable in accordance with Section 5.55.040. The tax on corporate payroll shall be due and payable on an annual basis for 2020 and the measure of the tax shall be prorated based on the effective date of the tax. For years subsequent to 2020, the tax on corporate payroll shall be due quarterly. Notwithstanding Section 5.55.040, the tax due for 2020 and 2021 shall be payable on the same date that the tax payment for the fourth quarter of 2021 is due. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the tax on corporate payroll at the same time as they file their final business license tax return under Chapter 5.45.

**5.38.070 Tax in addition to other license fees or taxes**

The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute, or ordinance whether imposed or levied by the City, the State, or other governmental entity or political subdivision.

**5.38.080 Tax part of operating overhead**

It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

**5.38.090 Rules and regulations**

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but not limited to rules to determine the payroll expense attributable to work performed and services rendered by employees in Seattle.

Amendment 4 to CB 119772

V1

**Amendment 4 to CB 119772:**

Sponsor: Councilmember Sawant

Meeting: Select Budget Committee

Date: June 5, 2020

Description:

This would amend CB 119772 to define two or more businesses informally organized as an integrated business enterprise as a single business for the purpose of calculating and measuring payroll expense against the payroll expense tax's \$7 million threshold.

Notes:

Double underlines indicate new language to be added.

~~Double strikethroughs indicate~~ language proposed to be removed.

**Amendments**

1. Amend Section 2 of Council Bill 119772, as follows:

Section 2. A new Chapter 5.38 is added to the Seattle Municipal Code as follows:

**Chapter 5.38 TAX ON CORPORATE PAYROLL**

**5.38.010 Administrative provisions**

All of the provisions contained in Chapter 5.55 shall have full force and application with respect to taxes imposed under the provisions of this Chapter 5.38 except as may be expressly stated to the contrary herein.

**5.38.020 Definitions**

The definitions contained in Chapter 5.30 shall be fully applicable to this Chapter 5.38 except as may be expressly stated to the contrary herein. The following additional definitions shall apply throughout this Chapter 5.38:

“Business” has the same meaning as that term is defined in SMC 5.30.020. Depending on the context, “business” may also mean a person engaging in business in Seattle.

“Compensation” means remuneration as that term is defined in RCW 50A.05.010, net distributions, or incentive payments, including guaranteed payments, whether based on profit or otherwise, earned for services rendered or work performed, whether paid directly or through an agent, and whether in cash or in property or the right to receive property. “Compensation” does not include payments to an owner of a pass-through entity that are not earned for services rendered or work performed, such as return of capital, investment income, or other income from passive activities.

“Employee” means any individual who performs work, labor, or personal services of any nature for compensation paid by a business. For purposes of this Chapter 5.38, the term “employee”:

1. Includes individuals who are members of limited liability companies, members of professional limited liability companies, partners, other owners of pass-through entities, and sole proprietors; and
2. Includes individuals who would be considered to be independent contractors for purposes of the business license tax under subsection 5.45.090.S.

“Grocery business” means:

1. A business whose primary business is making retail sales of food and food ingredients to consumers that are exempt from the retail sales tax under RCW 82.08.0293; and
2. A business whose primary business is making wholesale sales of food and food ingredients that will be exempt from the retail sales tax under RCW 82.08.0293 when resold by the purchaser.

For subsections (1) and (2) of this definition, “primary business” means that 75 percent of the gross income of the business for purposes of calculating the business license tax under Chapter 5.45 is attributable to that business activity.

“Integrated business enterprise” means separate business entities that are organized so that a separate business entity controls the operation of one or more other business entities. The factors to consider to determine control include, but are not limited to:

1. Degree of interrelation between the operations of multiple entities;

2. Degree to which the entities share common management;

3. Centralized control of labor relations; and

4. Degree of common ownership or financial control over the entities.

All business organized into an integrated business enterprise are considered “members” of that integrated business enterprise.

“Local government entity” has the same meaning as that term is defined in RCW 4.96.010.

“Net distribution” means the draws from net income by any owner of a pass-through entity.

Taxable distributions are limited by the amount of draws or net income for that owner, whichever is less. If the owner’s draw exceeds that individual’s net profit, the excess draw is a return of capital. A return of capital is not taxable because it is a liquidation of an owner’s assets.

“Pass-through entity” includes a trust, partnership, corporation described in Subchapter S of the Internal Revenue Code of 1986, as amended, limited liability company, limited liability partnership, professional corporation, and any other person or entity which is not subject to the income tax imposed by Subtitle A, Chapter 1 of the Internal Revenue Code of 1986, as amended, or which is allowed a deduction in computing such tax for distributions to the owners or beneficiaries of such person or entity.

“Payroll expense” means the compensation paid in Seattle to employees. Compensation is paid in Seattle to an employee if:

1. The employee is primarily assigned within Seattle;

2. The employee is not primarily assigned to any place of business for the tax period and the employee performs 50 percent or more of the employee's service for the tax period in Seattle; or

3. The employee is not primarily assigned to any place of business for the tax period, the employee does not perform 50 percent or more of the employee's service in any one city, and the employee resides in Seattle.

"Primarily assigned" means the business location of the taxpayer where the employee performs the employee's duties.

"Remuneration" has the same meaning as that term is defined in RCW 50A.05.010.

"Tax on corporate payroll" means the payroll expense tax imposed by this Chapter 5.38.

"Taxable integrated business enterprise" means an integrated business enterprise whose members have a combined having payroll expense, as defined under subsection 5.38.020, of more than \$7,000,000 in the most recent complete calendar year.

"Taxpayer" means any person who engages in any business in Seattle or who performs any act for which a tax is imposed under this Chapter 5.38.

#### **5.38.030 Tax imposed—Rate**

A. A tax on corporate payroll is hereby levied upon and shall be collected from every person engaging in business within Seattle.

B. The amount of the tax on corporate payroll due shall be the payroll expense of the business for the tax period, subject to any deductions authorized under this Chapter 5.38, and multiplied by a rate of 1.30 percent.

C. The tax imposed by this Chapter 5.38 is levied on businesses. A business may not make any deductions from employees' compensation to pay for this tax.



#### **5.38.040 Allocation and apportionment**

A. The Director may adopt procedures to allow taxpayers who have payroll expenses consisting of work done and services provided within and outside Seattle to use a representative test period or conduct a survey based on factual data to arrive at a formula with which to calculate the percentage of payroll expense attributable to Seattle. Any formula so established will be subject to review and correction by the Director.

B. If the payroll expense as defined in Section 5.38.020 does not fairly represent the extent of the compensation paid by the taxpayer to its employees that is attributable to work performed or services rendered in Seattle, the taxpayer may petition the Director for, or the Director may require, the employment of another method to effectuate an equitable allocation and apportionment.

C. Nothing in this Chapter 5.38 shall be construed as requiring the payment of any tax for engaging in business when such payment would be in violation of the Constitution or a statute of the United States or of the Constitution or a statute of the State of Washington. Notwithstanding anything to the contrary herein, if imposition of the City's tax would place an undue burden upon interstate commerce or violate other constitutional requirements, a taxpayer shall be allowed a credit to the extent necessary to preserve the validity of the City's tax, and still apply the City's tax to as much of the taxpayer's activities as may be subject to the City's taxing authority.

D. Businesses engaging temporary or contracted employees shall report and pay the tax on the payroll expense of such temporary or contracted employees, whether or not they are from an employment agency.

### 5.38.050 Exemptions from the tax on corporate payroll

A. The following are exempt from the tax on corporate payroll:

1. Any business, except members of a taxable integrated business enterprise, having payroll expense, as defined under subsection 5.38.020, of \$7,000,000 or less in the most recent complete calendar year.

2. Any business engaged in business in Seattle as a grocery business.

3. Any business having a formally recognized exemption from income tax pursuant to Sections 501(c), 501(d), or 401(a) of the Internal Revenue Code of 1986, as amended, as qualified by Sections 502, 503, and 504 of the Internal Revenue Code of 1986, as amended.

4. Any individual who is an independent contractor for purposes of the business license tax under Section 5.45.090.S and whose compensation is included in the payroll expense of another business subject to the tax imposed by Section 5.38.030.

5. Businesses that are preempted from taxation by cities pursuant to federal or state statutes or regulations, including, but not limited to, the following:

a. Insurance businesses and their agents as defined by RCW 48.01.050 and 48.17.010, respectively, and whose total revenue is exempt from the business license tax per Chapter 5.45.

b. Businesses that only sell, manufacture, or distribute motor vehicle fuel as defined in RCW 82.38.020 and exempted under RCW 82.38.080.

c. Businesses that only distribute or sell liquor as defined in RCW 66.04.010 and exempted in RCW 66.08.120.

B. Beginning on January 1, 2022, and on January 1 of every year thereafter, the Director shall adjust the amount of the exemption in subsection 5.38.050.A.1 as follows:

1. The amount shall increase commensurate with the rate of growth of the prior year's June-to-June consumer price index (CPI-U) for the Seattle-Tacoma-Bellevue area as published by the United States Department of Labor;

2. If the annual change in the CPI-U is negative, no adjustment to the amount must be made; and

3. The amount calculated shall be rounded to the nearest whole dollar.

**5.38.060 Tax on corporate payroll—When due**

The tax on corporate payroll imposed by this Chapter 5.38 shall be due and payable in accordance with Section 5.55.040. The tax on corporate payroll shall be due and payable on an annual basis for 2020 and the measure of the tax shall be prorated based on the effective date of the tax. For years subsequent to 2020, the tax on corporate payroll shall be due quarterly. Notwithstanding Section 5.55.040, the tax due for 2020 and 2021 shall be payable on the same date that the tax payment for the fourth quarter of 2021 is due. The Director may use discretion to assign businesses to an annual reporting period. Forms for such filings shall be prescribed by the Director. Persons discontinuing their business activities in Seattle shall report and pay the tax on corporate payroll at the same time as they file their final business license tax return under Chapter 5.45.

**5.38.070 Tax in addition to other license fees or taxes**

The tax imposed herein shall be in addition to any license fee or tax imposed or levied under any other law, statute, or ordinance whether imposed or levied by the City, the State, or other governmental entity or political subdivision.

**5.38.080 Tax part of operating overhead**

It is not the intention of this Chapter 5.38 that the taxes herein levied upon persons engaging in business be construed as taxes upon the customers of such businesses, but that taxes shall be levied upon, and

collectible from, the person engaging in the business activities herein designated and that such taxes or fees shall constitute a part of the operating overhead or cost of doing business of such persons.

**5.38.090 Rules and regulations**

The Director shall adopt, publish, and enforce rules and regulations not inconsistent with this Chapter 5.38 for the purpose of carrying out the provisions of this Chapter 5.38, including but not limited to rules to determine the payroll expense attributable to work performed and services rendered by employees in Seattle.



Legislation Text

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File #: CB 119773, Version: 1

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CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

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

AN ORDINANCE relating to the financing of responses to the civil emergency; authorizing the loan of funds from the Low Income Housing Fund to the General Fund; authorizing the loan of funds from the Housing Incentive Fund to the General Fund; authorizing the loan of funds from the Families Education and Preschool Promise Levy Fund to the General Fund; authorizing the loan of funds from the Move Seattle Levy Fund to the General Fund; authorizing the loan of funds from the Seattle Parks District Fund to the General Fund; authorizing the loan of funds from the 2019 Library Levy Fund to the General Fund; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, on November 2, 2015, the Mayor issued a Civil Emergency to address the homelessness crisis in 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)

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislative	Tom Mikesell 4-8735/ Dan Eder 4-8147	

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the financing of responses to the civil emergency; authorizing the loan of funds from the Low Income Housing Fund to the General Fund; authorizing the loan of funds from the Housing Incentive Fund to the General Fund; authorizing the loan of funds from the Families Education and Preschool Promise Levy Fund to the General Fund; authorizing the loan of funds from the Move Seattle Levy Fund to the General Fund; authorizing the loan of funds from the Seattle Parks District Fund to the General Fund; authorizing the loan of funds from the 2019 Library Levy Fund to the General Fund; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

**Summary and background of the Legislation:** This council bill would authorize the Director of Finance to make multiple interfund loans from City funds. Specifically, the council bill authorizes the Director of Finance to borrow up to a cumulative total of \$200,000,000 by borrowing up to \$50,000,000 from each of the following six funds: the Low Income Housing Fund, the Housing Incentive Fund, the Families Education and Preschool Promise Levy Fund, the Move Seattle Levy Fund, the Seattle Park District Fund, and the Library Levy Fund.

The council bill directs the Director of Finance to coordinate the loans so as to minimize or eliminate the need to forestall capital projects or operations expenditures that would otherwise have required use of the cash for the period of the loans.

The council bill directs the Director of Finance to submit a report within 21 days informing the Finance and Housing Committee of the specific amounts borrowed from each fund and any impacts to the ability of those funds to deliver the projects and spending anticipated in the 2020 Adopted Budget.

**2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?** \_\_\_ Yes  No

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

The interfund loans will need to be repaid with interest.

**Is there financial cost or other impacts of *not* implementing the legislation?**

This council bill provides immediate financial capacity for the City to make payments to individuals and households under Council Bill [REDACTED] who have been impacted by the health-related civil emergency and the homelessness-related civil emergency. Not implementing this legislation but approving the payments would require that the payments be supported by existing General Fund resources, which are otherwise fully programmed for 2020.

**3.a. Appropriations**

     This legislation adds, changes, or deletes appropriations.

**Is this change one-time or ongoing?**

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

  x   This legislation adds, changes, or deletes revenues or reimbursements.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2020 Revenue	2021 Estimated Revenue
General Fund 001000		Interfund loan from multiple City funds	\$200,000,000	\$0
<b>TOTAL</b>			<b>\$200,000,000</b>	<b>\$0</b>

**Is this change one-time or ongoing?**

One-time.

**Revenue/Reimbursement Notes:**

**3.c. Positions**

     This legislation adds, changes, or deletes positions.

#### 4. OTHER IMPLICATIONS

**a. Does this legislation affect any departments besides the originating department?**

No.

**b. Is a public hearing required for this legislation?**

No.

**c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?**

No.

**d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**

No.

**e. Does this legislation affect a piece of property?**

No.

**f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

N/A.

**g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

N/A.

June 9, 2020

## MEMORANDUM

**To:** Select Budget Committee  
**From:** Dan Eder, Deputy Director  
**Subject:** CB 119773: Payroll Expense Tax Package - Interfund Loan

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On Wednesday, June 10, 2020 the Select Budget Committee (Committee) will continue the discussion on the proposed Payroll Expense Tax package. This tax package includes three separate but related Council Bills (CBs):

1. [CB 119772](#) – Tax
2. [CB 119773](#) – Interfund Loan
3. [CB 119774](#) – Spending Plan and Appropriation

This memo briefly summarizes CB 119773 and describes issues and options for the Committee’s consideration. Summary and background information on the proposed Interfund Loan (IFL) bill is available in the Central Staff memos posted to the [April 22](#) and [April 29](#) Committee agendas.

### **CB 119773: Description**

The proposed Interfund Loan would authorize up to \$200 million in cumulative interfund loans to back the \$200 million of 2020 spending authorized in the separate Spending Plan and Appropriations bill.

An interfund loan is the practice of one City fund borrowing from a different City “source” fund; the source fund has a cash balance that will be needed to meet future obligations, but the cash balance is temporarily used for other short-term spending priorities.

Specifically, the IFL bill would authorize each of six City source funds to loan up to \$50 million to the General Fund (GF). In 2021, the GF would repay each of the source funds the full amounts (plus accrued interest) using the payroll expense tax revenues.

### **CB 119773: Issue Identification**

This section is a discussion of issue areas identified to date and potential amendment options for the Committee’s consideration. The issues and options are not exhaustive; Councilmembers may identify additional amendment options in the course of the Committee’s review, discussion, and public engagement.

#### **1. Source Funds**

The IFL bill would authorize up to \$50 million from each of six source funds. However, after further investigation, it appears that one of those funds – the Housing Incentive Fund – is a subfund in the Low-Income Housing Fund, which in turn is one of the six source funds.



Councilmembers may wish to consider removing the Housing Incentive Fund from the list of authorized source funds.

Options:

1. No action.
2. Remove the Housing Incentive Fund from the list of source funds.

**2. Authorized Loan Amounts**

Based on information presented to the Select Budget Committee at the April 29, 2020 meeting, the City Budget Office (CBO) indicated that the Low-Income Housing Fund is expected to have a 2020 year-end fund balance of \$257 million. It is not yet clear what the projected 2021 ending fund balance will be, and this could materially affect the ability of the Low-Income Housing Fund to provide an interfund loan lasting through the end of 2021 without impacting planned project and program spending from the Low-Income Housing Fund. Other currently identified source funds are expected to have significantly smaller 2020 year-end fund balances.

Councilmembers may wish to consider amending the IFL bill to authorize the Low-Income Housing Fund to be the sole source fund for the entire \$200 million loan.

Options:

1. No action.
2. Change the authorized loan amount from the Low-Income Housing Fund from \$50 million to \$200 million.

**3. Cumulative Loan Amount**

As discussed at the April 29, 2020 meeting, the City will likely need to make significant changes to its 2020 budget due to a dramatic decrease in several municipal funding sources as a result of the COVID-19 health emergency. Decisions about how to “rebalance” the 2020 Adopted Budget in light of these revenue and spending changes could alter the availability of source funds in the proposed IFL bill.

Councilmembers may wish to consider changing the interfund loan amount or reject the proposed interfund loan altogether.

Options:

1. No action.
2. Decrease the amount of the interfund loan (below \$200 million).

cc: Kirstan Arestad, Executive Director



Legislation Text

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**File #:** CB 119774, **Version:** 1

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**CITY OF SEATTLE**

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

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

AN ORDINANCE establishing a spending plan for the proceeds generated from the payroll expense tax authorized by the ordinance introduced as Council Bill 119772 to fund immediate cash assistance for low-income households impacted by the COVID-19 crisis in 2020 and the development of social housing that is permanently affordable, high-quality, and energy-efficient, to fund housing-related components of Seattle’s Green New Deal as articulated in Resolution 31895, and to fund other investments; establishing a Social Housing Board and amending the duties of the Green New Deal Oversight Board to make funding recommendations; establishing a requirement for an Implementation Plan; adding a new Section 3.14.750 to, and amending Section 3.14.979 of, the Seattle Municipal Code; amending Ordinance 126000, which adopted the 2020 Budget; changing appropriations to various departments and budget control levels, and from various funds in the 2020 Budget; declaring an emergency; and establishing an immediate effective date; all by a 3/4 vote of the City Council.

WHEREAS, the City Council (“Council”) adopted the ordinance introduced as Council Bill 119772,

authorizing the collection of a new payroll expense tax (“tax on corporate payroll”) to be imposed beginning June 2020; and

WHEREAS, the new tax on corporate payroll is anticipated to generate an average of \$500 million in proceeds on an annual basis, as shown in the spending plan included as Attachment 1 to this ordinance; and

WHEREAS, on November 2, 2015, the Mayor issued a Proclamation of Civil Emergency to address the homelessness crisis in 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, Seattle has been in the throes of a stunning and unprecedented affordable housing and homelessness crisis, which is now being greatly exacerbated and complicated by the COVID-19 pandemic and related economic and unemployment crisis described more below. Sky-high rents and soaring home prices have been and are driving working-class households, seniors, students, and especially working families of color out of Seattle, and sometimes into homelessness; and

WHEREAS, the affordable housing crisis, 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 LGBTQ community, indigenous peoples' communities, disabled community members, and women, who already struggle against entrenched inequality; and

WHEREAS, even as Seattle experienced a record-breaking construction boom, being recognized as the nation's construction crane capital three years running, the housing crisis worsened, showing that the for-profit market has failed working people; and

WHEREAS, average rents in Seattle rose 69 percent between 2010 and 2018, far beyond the rate of inflation and more than double the national average; and

WHEREAS, numerous studies have shown that rising rent increases homelessness. One such study showed that each \$100 increase in the average rent caused a 15 percent increase in homelessness in urban areas; and

WHEREAS, the affordable housing crisis is no better for homebuyers, with the median price of recently sold homes reaching a staggering \$713,900, putting home ownership out of reach for the vast majority of working people; and

WHEREAS, the affordable housing crisis puts housing out of reach for teachers, bus and truck drivers, healthcare workers, construction workers, city employees, restaurant and bar workers, and a slew of other workers who daily make Seattle run, and furthermore is driving out seniors and others who survive on fixed incomes; and

WHEREAS, more than 4,280 students in Seattle Public Schools are homeless or have unstable housing; and  
WHEREAS, even before the COVID-19 emergency, thousands of Seattle renters faced eviction threats every year, and in September 2018, the Seattle Women’s Commission and the King County Bar Association jointly published *Losing Home: The Human Cost of Eviction in Seattle*, finding that more than half of Seattle renters receiving eviction notices in 2017 owed one month’s rent or less, and most tenants who are evicted become homeless; and

WHEREAS, the *Losing Home* report found that evictions in Seattle fall disproportionately on women and people of color, with people of color constituting about 35 percent of renters, and nearly 52 percent of evictions involved people of color; and

WHEREAS, the soaring cost of housing is destroying the social fabric of communities through gentrification, driving people away from their friends and family, faith communities, small businesses, and neighborhoods, as exemplified by the fact that the number of Black residents in Seattle’s Central District has plunged from 70 percent in the 1970s to under 20 percent today; and

WHEREAS, the City is committed to eliminating racial inequities such as these through implementation of the Race and Social Justice Initiative; and

WHEREAS, housing is a human right and Seattle urgently needs bold public policy to solve the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, the private housing market has failed, and will continue to fail, to meet basic human housing needs; and

WHEREAS, the people of Seattle therefore need a significant expansion of social housing (publicly-owned or publicly-controlled housing), where rents are permanently affordable, stable, predictable, and fair; and

WHEREAS, in 2001, the Seattle City Council (“Council”) adopted, with the Mayor concurring, Resolution 30316, supporting efforts to curb global warming, adopting greenhouse gas (GHG) emission reduction

goals for Seattle, and committing to ongoing efforts to achieve these goals; and

WHEREAS, the 2016 Greenhouse Gas Inventory, published in February 2019, found that total greenhouse gas emissions in Seattle rose by one percent between 2014 and 2016, and that in order to achieve the goals of the Climate Action Plan adopted via Resolution 31447, Seattle's emissions reduction rate needs to increase by a factor of seven; and

WHEREAS, in August 2016, the Council adopted, with the Mayor concurring, Resolution 31681 to advance the efforts of the Equity & Environment Agenda, adopting goals for all environmental and sustainability work in Seattle that prioritize communities of color, immigrants, refugees, people with low-incomes, youth, and limited-English proficiency individuals; and

WHEREAS, in October 2016, the Council adopted, with the Mayor concurring, Resolution 31712, endorsing community principles for green jobs, defining a green job as one that preserves or enhances environmental health as well as the economic and social well-being of people and communities, centers on communities most negatively impacted by climate change, and pays a living wage while providing career pathways; and

WHEREAS, the City Council adopted Resolution 31895 establishing a Green New Deal for Seattle; and

WHEREAS, in August 2019, Resolution 31895 recognized that, while it has made some progress towards reducing its dependence on fossil fuels, the current pace of progress is insufficient to make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, Resolution 31895 established key goals and committed the City to implement comprehensive strategies as described in Section 1 of this ordinance; and

WHEREAS, Resolution 31895 envisioned the need to establish a dedicated revenue source in order to implement Green New Deal strategies; and

WHEREAS, climate activists in Seattle and worldwide, led by young people, have organized mass mobilizations and strikes demanding that government take immediate and dramatic action to address the

climate crisis; and

WHEREAS, in Seattle, these demands for a Green New Deal for Seattle have been bravely led by many people and communities, including middle- and high-school students, workers in the tech industry, indigenous communities, and communities of color; and

WHEREAS, the new tax on corporate payroll will generate significant funds to address identified inequities and to respond to the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, these additional funds will provide immediate financial relief and in the long-term will increase the construction and preservation of thousands of units of permanently affordable housing for low- and moderate-income households to address the housing affordability and homelessness crisis, will contribute to reducing Seattle's climate pollution, and will in the process support thousands of unionized, living-wage jobs, and in doing so will help the City make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, the World Health Organization has announced novel coronavirus (COVID-19) is officially a global pandemic; and

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 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, these actions are appropriate for public health reasons but have severe economic impacts on families and individuals in Seattle; and

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

WHEREAS, federal and state assistance to people with low incomes will not be sufficient to meet their basic needs during this public health and financial crisis; and

WHEREAS, without additional financial support, many people 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 immediate cash assistance to households impacted by this crisis to help meet their basic needs; and

WHEREAS, the City will use an interfund loan authorized by the ordinance introduced as Council Bill 119773 to provide funding to support the immediate cash assistance to eligible households in 2020, to be repaid with proceeds from the new tax on corporate payroll collected in 2021; NOW, THEREFORE,

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

Section 1. Findings. The City Council finds that:

A. Supporting the development and preservation of stable and permanently affordable housing for people experiencing homelessness and also for low- and middle-income households with incomes up to 100 percent of the area median income (AMI) is a fundamental governmental purpose and will result in numerous benefits to the City as described below.

B. Data from the 2012-2016 American Community Survey (ACS) shows that: over 65,000 households in Seattle with incomes at or below 100 percent of AMI are cost burdened, paying more than 30 percent of their income for rent and utilities; and 29,000 households with incomes at or below 50 percent of area AMI are severely cost burdened, paying over 50 percent of their income for rent and utilities, and, as a result, are at

potential risk of homelessness.

C. The 2019 point-in-time count of people experiencing homelessness in King County found at least 5,228 individuals living unsheltered in addition to at least 5,971 more individuals who are experiencing homelessness but are sheltered, for a total of at least 11,119 individuals who are experiencing homelessness.

D. Increased investments in stable and permanently affordable housing will reduce the number of households that are cost burdened or severely cost burdened, which should help with the prevention of homelessness and the severe associated harms and costs.

E. Publicly-funded workers, such as teachers, firefighters, public servants, law enforcement, nurses, social workers, and transit operators, including those in professions historically underrepresented by persons and communities of color, often cannot afford to live in the communities in which they serve due to increasing housing costs. Employees of nonprofit organizations who help deliver essential public services on contract, as well as those who help provide essential services to the poor and infirm as part of their organizational mission, are similarly housing cost constrained.

F. It will benefit the City if public employees and other middle-income and low-income employees are able to find affordable housing in the communities where they work.

G. Stable and permanently affordable housing for low-income and middle-income residents is expected to result in stronger educational outcomes for children and better health outcomes for families.

H. In certain cases, mixed-income affordable housing projects may be desirable and may contribute to the long-term sustainability of the project.

I. Additional permanently affordable housing is also anticipated to result in benefits to the economy, such as generating additional tax revenue to the City and supporting construction jobs related to the development of new housing as described in the April 2015 National Association of Home Builders (NAHB) report that showed construction of a 100 unit multifamily building supported 90 construction jobs.

J. Climate change is altering Washington's seasonal temperature and rainfall patterns. This change can



result in introducing new or exacerbating existing health risks, such as heat-related illnesses, increased risk of breathing and heart problems from smoke exposure, food and water contamination, traumatic injuries, mental health problems from flooding and other weather extremes, and increased exposure to infectious diseases.

While the City has made some progress towards reducing its dependence on fossil fuels, the primary source of carbon dioxide emissions, as one strategy to address climate change, that progress is insufficient to make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable.

K. Energy for heating, cooling, and powering buildings accounted for more than one-third of Seattle's greenhouse gas emissions in 2016.

L. Implementing housing-related strategies outlined in the City's Green New Deal, Resolution 31895, will help achieve the goals outlined in that resolution to create a future where Seattle residents can live healthy, prosperous lives, free of toxic chemicals and fossil fuels, and where the social and ecological well-being of all people is a priority. These housing-related strategies include the following:

1. Creating more permanently affordable housing, located near transit hubs, green space, and neighborhood amenities to reduce dependence on private vehicles;
2. Using anti-displacement strategies and alternative housing models, such as: acquisition of existing affordable housing in areas at risk of displacement, community-owned cooperative housing, community land ownership, and community land conservation that will allow communities to grow and prosper within Seattle;
3. Increasing housing density as a means to meet both current unmet demand for affordable housing and projected future population growth;
4. Supporting the transition of housing from the use of natural gas and heating oil to electricity;
5. Strengthening green building standards for new construction to minimize emissions while maximizing energy efficiency; and
6. Expanding renewable energy jobs and investing in job training programs that equip all

workers with the necessary skills to thrive in the green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry (e.g., retraining mechanics to service electric vehicles) and prepare new workers to support the transition to a renewable energy economy.

M. The failure to make adequate provision for housing affordable to households with incomes at or below 100 percent of AMI can push many households to seek housing further away from work, which leads to increased greenhouse gas emissions from transportation, as well as congestion on the transportation infrastructure. Providing for more housing affordable to households with incomes at or below 100 percent of AMI in the City could result in commute trip reductions, less traffic for City residents and City employees, less City spending on transportation infrastructure, and a reduction in greenhouse gas emissions.

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

O. 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.

P. 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.

Q. 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.

R. 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.”

S. 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.

T. The COVID-19 crisis has had a significant impact on the local economy impacting the retail, restaurant, construction, gig economy, 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 and will have both immediate and long-term impacts.

U. 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.

V. Federal and state assistance is inaccessible to many people with low-incomes, is being delayed for many others, and will not be sufficient to meet their basic needs during the COVID-19 public health and financial crisis. Additional and immediate financial support to people with low-incomes is necessary to help meet their basic needs and to help minimize impacts to public health as well as the local economy.

W. The economic impacts from the COVID-19 emergency are drastic and immediate, but are also expected to last much longer than the civil shut-down emergency itself.

X. The spending plan is being tailored to address both immediate and long-term, basic human health and housing needs created by the multiple and overlapping crises, which include the long-running affordable housing and homelessness crisis, which has now been greatly exacerbated and complicated by the COVID-19 pandemic and related economic and unemployment crises, as well as the longer-term climate change crisis which nevertheless requires prompt and bold action now.

Y. Investments in affordable housing and Seattle's Green New Deal are necessary to help counteract the

economic and health impacts caused by the COVID-19 crisis by creating jobs and increasing the supply of long-term affordable housing that will be needed by people who saw a significant reductions in income due to employment changes stemming from the crisis.

Section 2. Proceeds from the new tax on corporate payroll imposed by the ordinance introduced as Council Bill 119772 shall be used as described in subsections 2.A through 2.D of this ordinance. Immediate cash assistance to low-income households impacted by COVID-19 crisis will be provided in 2020 and funded by an interfund loan authorized by the ordinance introduced as Council Bill 119773. Proceeds from the tax on corporate payroll will be used to repay this loan. Attachment 1 to this ordinance establishes the proposed spending plan for the first five years of the tax on corporate payroll. The spending plan may be amended from time to time by the City Council by ordinance.

A. Implementation and administrative costs. No more than five percent of the proceeds in the first year shall be used to fund one-time expenditures to implement and administer the tax on corporate payroll authorized by the ordinance introduced as Council Bill 119772 and to implement the investments in Housing and Services, Green New Deal housing-related strategies, and cash assistance for low-income households impacted by the COVID-19 crisis, described in Section 2 of this ordinance. No more than three percent of the proceeds in subsequent years shall be used to fund the ongoing administrative functions to assess and collect the tax and administer the investments in Housing and Services and Green New Deal housing-related strategies described in Section 2 of this ordinance.

B. Cash assistance for low-income households impacted by COVID-19 crisis. In 2021, approximately \$205,000,000 shall be allocated to pay back the interfund loan authorized by the ordinance introduced as Council Bill 119773, used in 2020 to provide cash assistance to low-income households in Seattle in response to the economic impacts of the COVID-19 crisis. The economic impacts caused be COVID-19 include but are not limited to loss or reduction in income because of: illness; loss of employment; reduction in compensated hours of work; business or office closure; a need to miss work to care for a family member or child, where that

care is uncompensated; or other similar loss of income due to the COVID-19 crisis. These funds could serve up to 100,000 Seattle households with monthly payments of \$500 for four months.

1. Distribution

a. Up to \$100,000,000 will be distributed first to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, that provide a direct financial benefit, including, but not limited to: the Utility Discount Program, Early Childhood Education and Assistance Program, Child Care Assistance Program, households that qualify for free tuition in the Seattle Preschool Program and Pathway to Seattle Preschool Program, and Fresh Bucks.

b. Up to \$100,000,000 will be distributed to low-income households economically impacted by the COVID-19 crisis but not enrolled in existing City assistance programs that provide a direct financial benefit (e.g. food vouchers, child care tuition assistance, utility discounts). The distribution should prioritize those who experience structural or institutional barriers to accessing support from the government (e.g. language barriers, fear of deportation, experiencing homelessness, lack of a permanent address, experiencing domestic violence, seniors), and those who require assistance immediately (i.e. people who are recently unemployed or had their work hours severely reduced). The Executive shall establish eligibility criteria for distributing cash assistance to low-income households who are not receiving cash assistance through the process established in subsection 2.B.1.a but have been economically impacted by the COVID-19 crisis.

c. After distributing the first of the four payments to households described in subsections 2.B.1.a and 2.B.1.b of this ordinance, any remaining, unallocated funds may be distributed to either households enrolled in existing City assistance programs or to households identified in subsection 2.B.1.b.

2. For purposes of this ordinance, a low-income household means: (1) any household that is eligible for existing City assistance programs, or State assistance programs administered by the City; or (2) households not enrolled in such programs that have been impacted by the COVID-19 crisis and meet eligibility criteria established by the Executive.

3. The Executive shall establish criteria and a process to distribute the cash assistance to households described in subsection 2.B.1.b of this ordinance and shall provide a written report or briefing to the City Council on the prior to distributing funds.

4. The Executive shall provide a monthly report to the City Council on the distribution of the cash assistance. The report shall include details on the spending to date, including information on the households receiving the cash assistance, and modifications made, if any, to the process or criteria used for distribution. The first report shall be due two weeks after the first payment is distributed.

C. Housing and services. Seventy-five percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to develop and preserve permanently affordable social housing for households experiencing homelessness and those with incomes between zero and 100 percent of AMI as will be further defined in the implementation plan described in Section 4 of this ordinance. Newly constructed housing will be built consistent with the Seattle's Green New Deal strategies to equitably increase building energy efficiency and decrease use of fossil fuels in homes, as outlined in Resolution 31895. Such housing will be publicly owned or be publicly rent-controlled and regulated through appropriate legal agreements between the City and the housing providers. Such legal agreements shall specify the affordability requirements, including limiting annual rent increases for tenants to not more than the annual percentage increase in the housing component of the consumer price index for rent of primary residences for the Seattle area. The proceeds for housing and services may be used for:

1. Developing and preserving permanently affordable rental housing for households with incomes between zero and 100 percent of AMI. Such housing may be mixed-income and may also include, and funds may be used to provide, related and needed community services and spaces such as affordable childcare, community gathering spaces, and open space;

2. Funding to support the ongoing operations and services for permanent supportive housing

units, including an array of comprehensive services such as counseling and treatment, disability support, skills training, job search assistance, and other services needed to maintain housing stability; and

3. Acquiring existing affordable housing, particularly in areas at high risk for displacement of existing low-income and moderate-income households.

D. Green New Deal housing related strategies. Twenty-five percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to investments in the following programs to implement the housing-related strategies called for in the Green New Deal. Investments shall be prioritized in communities historically most harmed by economic, racial, and environmental injustice.

1. Transitioning housing units from the use of natural gas and heating oil to electricity;

2. Solar installations;

3. Weatherization of existing residences, with a focus on housing for renters; and

4. Investing in job training programs to equip workers with the necessary skills to thrive in a

green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry or who have been impacted by the COVID-19 economic and unemployment crisis, and prepare new workers to support the transition to renewable energy jobs. Specific investment proposals shall be informed by recommendations from the Green New Deal Oversight Board. The Green New Deal Oversight Board shall invite workers who are directly employed by the fossil fuel industry, or who have been impacted by the COVID-19 economic and unemployment crisis, or who are in jobs that may be displaced as a result of implementation of this spending plan, along with their unions, to work with them on just transition recommendations that have the objective of eliminating economic harm to affected workers.

Section 3. A new Section 3.14.750 of the Seattle Municipal Code is added to Subchapter V of Chapter 3.14 as follows:

**3.14.750 Social Housing Board established**

A. Establishment. There is established a Social Housing Board that shall make recommendations to the City Council and Mayor on the housing programs and related services that will be funded with the proceeds from the new tax on corporate payroll, established by the ordinance introduced as Council Bill 119772. Duties of the Board shall include the following:

1. Providing ongoing program and policy review, oversight, and monitoring of expenditures in the housing and services category, and review the performance of programs and services funded by the tax on corporate payroll.

2. Providing recommendations on the development and any future modifications to the implementation plan and funding policies for housing programs funded with the proceeds from the tax on corporate payroll.

3. Reviewing and providing recommendations to the City Council annually on the formation of requests for proposals that the Office of Housing issues to solicit development proposals from public and nonprofit housing providers.

4. Providing recommendations annually to the City Council on City budget priorities for housing and priority City actions in a given year for use of funds generated from the tax on corporate payroll. The City Council shall act on the recommendations through the annual budget process following a public hearing.

5. Coordinating efforts with the Green New Deal Oversight Board in Section 3.14.979 as needed, meeting at least annually to coordinate activities and to invite public comment and input on their work.

B. Membership. The Social Housing Board shall be comprised of 23 members serving two-year terms, with three members from each Council district, plus two or more designated young adult members, whose terms and method of appointment are governed by the Get Engaged Program in Chapter 3.51. Members of the Social Housing Board should include renters and homeowners, individuals from historically underrepresented groups, as well as individuals with housing development and finance experience.

C. Selection process



1. Members of the Social Housing Board other than the Get Engaged members shall be appointed by the City Council. Each of the seven City Councilmembers who represents a district shall nominate three people who live in the Councilmember's district. Initial terms end on December 31, 2023; subsequent terms end every two years thereafter. Any vacancy in an unexpired term of an appointed position shall be filled in the same manner as the original appointment.

2. If the City Charter is amended to allow for an election of members to the Social Housing Board, beginning in the 2023 primary and general election, for terms starting on January 1, 2024 and every two years thereafter, all members of the Social Housing Board except the Get Engaged members shall be elected. Voters in each City Council district are eligible to vote for the three representatives from the corresponding City Council district. If the City Charter is amended, the City Council intends to consider legislation to establish a regulatory framework governing such election. Vacancies between elections will be filled by the selection process in subsection 3.14.750.C.1.

D. A member whose term is ending may continue on an interim basis as a member with voting rights until such time as a successor for that position has been appointed or elected. This subsection 3.14.750.D does not apply to the Get Engaged members.

E. Any member may request an excused absence from any Social Housing Board meeting. The Social Housing Board may recommend, by a majority vote of all members of the Social Housing Board, that the City Council remove any Council-appointed member who is absent without excuse from three or more consecutive Board meetings. Any member may resign from the Social Housing Board at any time by notifying the City Council in writing. The City Council may remove any Council-appointed member for cause.

#### F. Meetings of the Social Housing Board

1. The Social Housing Board shall meet as a whole at least four times each year to conduct a quarterly review of social housing development in Seattle, to take public comment, and to make recommendations on program or policy changes to City Council and the Mayor. The Social Housing Board

shall seek input from the public to inform their recommendations to the City Council and the Mayor. The Director of the Office of Housing shall make public in a timely manner a schedule and location of the Social Housing Board meetings.

2. Meeting notifications, agendas, minutes of proceedings, findings, and recommendations, civic engagement information, and any other materials shall be available to the public and posted on the Social Housing Board's website.

3. All meetings of the Social Housing Board shall be held in the evening in a location that is accessible and conveniently located to the public. Social Housing Board meetings shall be open to the public.

G. The Office of Housing shall provide staff support for the Social Housing Board as needed to ensure their ability to function and to maintain the Social Housing Board's website.

Section 4. Section 3.14.979 of the Seattle Municipal Code, enacted by Ordinance 125926, is amended as follows:

### **3.14.979 Green New Deal Oversight Board**

A. There is established a Green New Deal Oversight Board (Board) that shall advise and make recommendations to the Mayor and City Council related to the Green New Deal for Seattle and monitor progress in meeting intended outcomes and goals. Duties of the Board shall include the following:

1. Providing proposals for the design of new policies, programs, and projects and for modifications to existing policies, programs, and projects to the Mayor, City Council, and City departments that advance the Green New Deal for Seattle;

2. Supporting the planning and implementation of individual City departmental actions, policies, programs, and practices, to make Seattle climate-pollution free by 2030;

3. Providing recommendations on City budget priorities and priority City actions;

4. Coordinating efforts with the Environmental Justice Committee, Equitable Development Initiative Advisory Board, Transportation Equity Workgroup, and other City Boards and Commissions, as

needed((-)) , and meeting at least annually with the Social Housing Board to coordinate activities and to invite public comment and input on their work;

5. Submitting an initial workplan to the Council and the Mayor by July 1, 2020, and provide an updated workplan annually thereafter. The workplan should:

a. Define what constitutes a policy, program, or project that advances the Green New Deal for Seattle;

b. Identify the Board's annual scope of work, including priorities, goals, outcomes, and key stakeholders to consult; and

c. Provide an annual engagement plan for collaborating with existing committees, boards, and commissions whose scope align with those of the Board((-)) ;

6. Reviewing a semiannual, or at a frequency determined by the workplan, report of outcomes and indicators for the previous year related to policies, programs, and projects related to the Green New Deal for Seattle((-)) ; and

7. Making recommendations to the City Council and Mayor on Green New Deal housing related strategies that will be funded with the proceeds from the tax on corporate payroll, including recommendations on the development and any future modifications to the implementation plan.

\* \* \*

Section 5. Implementation plan. On or before DATE, the Executive shall submit an Implementation Plan for the new tax on corporate payroll to the City Council. The Plan may be amended by ordinance. The plan shall include:

A. A specific spending proposal for the Housing and Services and Green New Deal investments years one through five consistent with the program areas described in subsections 2.C and 2.D of this ordinance;

B. Proposed outcomes for each funded program or service;

C. How the programs or services will be implemented (such as responsible department and funding

processes);

D. Proposed policies for implementing funded programs or services, prioritizing investments in communities historically most harmed by economic, racial, and environmental injustice, at high risk of displacement; and

E. Proposal for working with the Social Housing Board and the Green New Deal Oversight Board to provide ongoing program and policy review, oversight and monitoring of expenditures, and reviewing performance of programs and services as the plan is implemented.

The City Council intends to adopt modifications to the City's Housing Funding Policies to have such policies apply to the revenues generated from the new tax on corporate payroll. This shall include changes to reflect annual reporting requirements for investments made using the proceeds from the tax on corporate payroll. The Council anticipates adopting such modifications when adopting the Implementation Plan in 2020.

The Executive shall work with the City Council, the Social Housing Board, and the Green New Deal Oversight Board in the development of this Implementation Plan to ensure it is consistent with the proposed Spending Plan. The City Council intends to add a proviso to funding in the 2021 budget to ensure funding is appropriated consistent with the proposed Spending Plan found in Attachment 1 to this ordinance, as may be amended by the City Council.

Section 6. It is the Council's intent that new construction multi-family housing development projects described in Section 2 of this ordinance, regardless of whether the project is or is not considered a public works project, shall be consistent with the standards set forth in Chapter 20.37 of the Seattle Municipal Code, known as the Priority Hire Program, and the standards described below. Such standards shall include: hiring of workers who are from economically distressed ZIP codes and apprenticeship utilization; and other standards such as payment of commercial prevailing wages which shall be included in a Community Workforce Agreement. New construction housing development projects shall also demonstrate adherence to labor laws and a commitment to labor harmony.

Section 7. In order to pay for necessary costs and expenses incurred or to be incurred in 2020, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2020 Budget, contingent appropriations for the following items in the 2020 Budget are increased from the funds shown, as follows:

<b>Item</b>	<b>Department</b>	<b>Fund</b>	<b>Budget Summary Level/BCL Code</b>	<b>Amount</b>
#1	TBD	General Fund	TBD	\$200,000,000

Section 8. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

Section 9. 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 10. 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)

**Attachments:**

Attachment 1 - Proposed Five-Year Spending Plan

Program/Activity	Program Description	2021 Spending <sup>1</sup>	2022 Spending	2023 Spending	2024 Spending	2025 Spending	Total / 5-year goals
<b>Direct Case Assistance</b>							
Cash Assistance to Low Income Households Impacted by the COVID-19 Crisis	Pay back the interfund loan (including interest) used in 2020 to provide cash assistance to Seattle households during the COVID-19 Crisis. These funds could serve up to 100,000 Seattle households with monthly payments of five hundred dollars for four months.	\$205 million	-	-	-	-	\$205 million  Cash assistance to 100,000 low income households
	<i>% of revenue (after start-up and ongoing administrative costs)</i>	27%	-	-	-	-	
<b>Affordable Housing Inventory &amp; Services</b>							
Rental Housing Production to Assist Households from Zero to 100% of AMI	Capital construction or acquisition of units in affordable housing projects, including mixed income, permanently serving households with incomes from 0% of Area Median Income (AMI) to 100% of AMI.	\$414 million	\$362 million	\$362 million	\$361 million	\$361 million	\$1.8 billion  5-Year Goal: 5,600 units
Operating and Services Support for PSH	Operating and services support for PSH serving the most vulnerable homeless with incomes at 0-30% of AMI.	-	\$9 million	\$17 million	\$25 million	\$33 million	\$70 million supporting 1,400 PSH units Funded in years 1-4
	Affordable Housing Inventory and Services Subtotal	\$414 million	\$371 million	\$378 million	\$386 million	\$394 million	\$1.9 billion
	<i>% of revenue (after start-up and ongoing administrative costs)</i>	55%	75%	75%	75%	75%	
<b>Green New Deal Implementation</b>							
Green New Deal Implementation	Fund the following strategies to help implement Seattle’s Green New Deal as articulated in Resolution 31895: investments to convert residential housing units from natural gas and heating oil to electric heat; solar installations; weatherization of existing residences; and investing in job training programs to equip workers with the necessary skills to thrive in the green economy and ensure a just transition for workers whose jobs currently depend on the fossil fuel industry.	\$138 million	\$124 million	\$126 million	\$129 million	\$131 million	\$648 million
	<i>% of revenue (after start-up and ongoing administrative costs)</i>	18%	25%	25%	25%	25%	
<b>Start-up &amp; Ongoing Administrative Costs</b>							
	Start-up costs and ongoing administration	\$29 million	\$15 million	\$16 million	\$16 million	\$16 million	\$92 million
	<i>% of total revenue<sup>2</sup></i>	5%	3%	3%	3%	3%	
	<b>TOTAL ANNUAL SPENDING:</b>	<b>\$786 million</b>	<b>\$510 million</b>	<b>\$520 million</b>	<b>\$531 million</b>	<b>\$541 million</b>	<b>\$2.9 billion</b>

<sup>1</sup> The spending plan assumes that in 2020, the City will use an interfund loan to direct \$200 million dollars to be distributed as cash assistance directly to low-income households in the City of Seattle in response to the impacts of the COVID-19 emergency. In 2021, the payroll tax revenue generated in 2020 but collected in 2021 will be used first to pay back that interfund loan, including interest.

<sup>2</sup> If the full amount allocated to the “start-up and ongoing administrative costs” category is not needed, any remaining revenue will be split 75/25 between the affordable housing inventory & services and Green New Deal implementation categories.

**SUMMARY and FISCAL NOTE\***

<b>Department:</b>	<b>Dept. Contact/Phone:</b>	<b>CBO Contact/Phone:</b>
Legislative	Traci Ratzliff/Aly Pennucci 4-8153 and 4-8148	Julie Dingley 4-5523

*\* Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

**1. BILL SUMMARY**

**Legislation Title:** An Ordinance establishing a spending plan for the proceeds generated from the payroll expense tax authorized by the ordinance introduced as Council Bill xxxxxx to fund immediate cash assistance for low-income households impacted by the COVID-19 crisis in 2020 and the development of social housing that is permanently affordable, high-quality, and energy-efficient, to fund housing-related components of Seattle’s Green New Deal as articulated in Resolution 31895, and to fund other investments; establishing a Social Housing Board and amending the duties of the Green New Deal Oversight Board to make funding recommendations; establishing a requirement for an Implementation Plan; adding a new Section 3.14.750 to, and amending Section 3.14.979 of, the Seattle Municipal Code; and amending Ordinance 126000, which adopted the 2020 Budget; changing appropriations to various departments and budget control levels, and from various funds in the 2020 Budget; declaring an emergency; and establishing an immediate effective date; all by a ¾ vote of the City Council.

**Summary and background of the Legislation:** This Council Bill would adopt a proposed 5-year spending plan for the new payroll expense tax authorized by the ordinance introduced as Council Bill [redacted]. This tax is expected to generate an average of \$500 million annually (adjusted by inflation). The new tax would be authorized beginning June 1, 2020 but would not begin collection until 2021. Specifically, the bill:

1. Appropriates \$200 million generated through an Interfund Loan authorized by Council Bill [redacted] to provide emergency cash assistance in 2020 for up to 100,000 low-income households including those that have lost income directly as a result of the coronavirus crisis.
2. Directs the first \$205 million in 2021 to repay principal and interest on the Interfund Loan.
3. Directs 5% of the revenue in 2021 and 3% in all subsequent years for start-up and ongoing administration costs.
4. Direct s75% of the remaining revenue for investments to build up to 10,800 units of new social housing in the first 10 years.
5. Direct 25% of the remaining revenue for investments in housing-related strategies called for in Seattle’s Green New Deal (GND).

This new tax will support immediate cash assistance for those impacted by the COVID-19 crisis in 2020 and the development of social housing and housing-related components of Seattle’s Green New Deal in 2021 and beyond. Below are further details on the spending



associated with this new payroll tax in 2020 and the next five years. This legislation includes an emergency clause and, if adopted, would go into effect immediately.

## 1. Spending Plan for 2020

### *Emergency Cash Assistance (2020 only)*

In response to the economic impacts of the COVID-19 crisis, the spending plan for the proposed tax on corporate payroll would direct up to \$200 million dollars in 2020 for emergency cash assistance to low-income households. The \$200 million would support up to 100,000 households with \$500 payments per month over four months in 2020.

To distribute the emergency cash assistance as quickly as possible, the intent is to build on the Emergency Grocery Voucher Program by distributing cash to households currently enrolled in existing assistance programs (e.g., the Utility Discount Program, Fresh Bucks, etc.). Fifty percent of the funds (\$100 million) will be distributed to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City.

The remaining 50% of the funds (\$100 million) will be distributed to those impacted by the COVID-19 crisis but not enrolled in existing assistance programs. These funds would be prioritized for distribution to low-income households including, but not limited to, those who are:

- unemployed or had their work hours severely reduced;
- seniors;
- immigrants and refugees,
- at risk of deportation;
- experiencing homelessness or lack a permanent address;
- households with language barriers;
- experiencing domestic violence; and
- low-income households not enrolled in existing assistance programs.

After distributing the first of the four payments, any unallocated funds may be distributed to either households enrolled in existing City assistance programs or to the priority households listed above.

## 2. Spending Plan (by Category) for 2021 and Beyond

In 2021, approximately \$205 million will be used to repay the principal and interest owed on the IFL for direct cash assistance in 2020. After repayment of the IFL in 2021, the annual spending of the new tax will be as described below.

After accounting for start-up and ongoing administrative costs, 75% of the anticipated revenue would be dedicated to developing and acquiring social housing affordable to households with incomes from zero to 100% of AMI, and to provide services for Permanent Supportive Housing (PSH) units. The remaining 25% of the tax revenue, after startup and administrative costs, would support implementation of select housing-related strategies identified in Seattle's Green New Deal (GND) [Resolution 31895](#).

### *Social Housing Investments*

Depending on the mix of housing investments, the new revenue could provide \$1.8 billion for about 5,600 housing units by year five and \$4 billion for about 10,809 housing units by year 10. In addition, \$70 million could support the operating and service costs for about 1,400 PSH units by year five and \$382 million for about 3,393 PSH units by year 10.

A new Social Housing Board is proposed that would guide and oversee all housing development and preservation investments. The 21-member board would include three representatives from each Council district; members will include renters and homeowners, individuals from historically underrepresented groups, as well as individuals with housing development and finance experience.

### *Green New Deal Investments*

The following housing-related strategies identified in the GND resolution would be prioritized for funding:

- Investments to convert residential housing units from natural gas and heating oil to electric heat;
- Weatherization of existing residences;
- Solar installations; and
- Investing in job training programs to equip workers with skills needed in the green economy and assist workers whose jobs currently depend on the fossil fuel industry to transition to a green economy.

Further, the investments in housing development and preservation are consistent with the following housing-related strategies identified in the GND resolution:

- Create more affordable housing located near transit hubs, green space, and neighborhood amenities to reduce dependence on private vehicles;
- Use anti-displacement strategies and alternative housing models, such as: acquisition of existing affordable housing in areas at risk of displacement, community-owned cooperative housing, community land ownership, etc.; and
- Increase housing density to meet current unmet demand for affordable housing and projected future population growth.

The GND Oversight Board established by [Ordinance 125926](#) would guide and oversee the proposed investments in GND housing-related strategies. The Board would invite workers who are employed by the fossil fuel industry, or those in jobs that may be displaced due to the implementation of this spending plan, along with their unions, to coordinate on “just” transition recommendations to minimize economic harm to affected workers.

## **2. CAPITAL IMPROVEMENT PROGRAM**

**Does this legislation create, fund, or amend a CIP Project?** \_\_\_ Yes   x   No

If yes, please fill out the table below and attach a new (if creating a project) or marked-up (if amending) CIP Page to the Council Bill. Please include the spending plan as part of the attached CIP Page. If no, please delete the table.

<b>Project Name:</b>	<b>Project I.D.:</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date:</b>	<b>Total Project Cost Through 2023:</b>

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

**Does this legislation amend the Adopted Budget?**     Yes     No

If there are no changes to appropriations, revenues, or positions, please delete the table below.

<b>Appropriation change (\$):</b>	<b>General Fund \$</b>		<b>Other \$</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
		\$200,000,000		
<b>Estimated revenue change (\$):</b>	<b>Revenue to General Fund</b>		<b>Revenue to Other Funds</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>
<b>Positions affected:</b>	<b>No. of Positions</b>		<b>Total FTE Change</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>

**Does the legislation have other financial impacts to the City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?**

Yes. There will be costs associated with distributing the cash assistance in 2020. In addition, there will also be costs associated with the preparation of the Implementation Plan for the spending of the tax that must be developed in 2020 by the Executive in consultation with the City Council. These costs will need to be addressed in a 2020 supplemental budget ordinance.

In addition, there will be costs associated with collection of the new tax and expenditure of the funds anticipated from this tax. The 5-year spending plan included in Attachment 1 to the proposed legislation assumes that up to five percent of the revenue in year one and up to three percent of the revenue in subsequent years generated from the new tax on corporate payroll will be used to cover the start-up and ongoing administrative costs.

**Is there financial cost or other impacts of *not* implementing the legislation?**

The City is under a declared emergency and experiencing a significant homelessness and affordable housing crises and issues on climate change. The proposed funding and programs attempt to provide additional resources to address these problems.

**3.a. Appropriations**

N/A **This legislation adds, changes, or deletes appropriations.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Revenues/Reimbursements.

Fund Name and number	Dept	Budget Control Level Name/#*	2019 Appropriation Change	2020 Estimated Appropriation Change
<b>TOTAL</b>				

\*See budget book to obtain the appropriate Budget Control Level for your department.

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g. available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

**Is this change one-time or ongoing?**

Please explain any complicated scenarios – e.g. three-year funding agreement but not permanent ongoing.

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

N/A **This legislation adds, changes, or deletes revenues or reimbursements.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Positions.

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

Fund Name and Number	Dept	Revenue Source	2019 Revenue	2020 Estimated Revenue
<b>TOTAL</b>				

This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below. Do the revenue sources have match requirements? If so, what are they?

**Is this change one-time or ongoing?** Proposed tax will be ongoing beginning in June 1, 2020

**Revenue/Reimbursement Notes:**

**3.c. Positions**

N/A **This legislation adds, changes, or deletes positions.**

If this box is checked, please complete this section. If this box is not checked, please proceed to Other Implications.

**Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:**

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2019 Positions	2019 FTE	Does it sunset? (If yes, explain below in Position Notes)
<b>TOTAL</b>							

\* List each position separately

This table should only reflect the actual number of positions created by this legislation. In the event that positions have been, or will be, created as a result of previous or future legislation or budget actions, please provide details in the Notes section below.

**Position Notes:**

**4. OTHER IMPLICATIONS**

- a. Does this legislation affect any departments besides the originating department?**  
 Yes. Office of Housing, Office of Sustainability and Environment, Finance and Administrative Services, possibly Human Services Department.
- b. Is a public hearing required for this legislation?** No  
 If yes, what public hearing(s) have been held to date, and/or what public hearing(s) are planned/required in the future?
- c. Does this legislation require landlords or sellers of real property to provide information regarding the property to a buyer or tenant?** No
- d. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No  
 For example, legislation related to sale of surplus property, condemnation, or certain capital projects with private partners may require publication of notice. If you aren't sure, please check with your lawyer. If publication of notice is required, describe any steps taken to comply with that requirement.
- e. Does this legislation affect a piece of property?** No  
 If yes, and if a map or other visual representation of the property is not already included as an exhibit or attachment to the legislation itself, then you must include a map and/or other visual representation of the property and its location as an attachment to the fiscal note. Place a note on the map attached to the fiscal note that indicates the map is intended for illustrative or informational purposes only and is not intended to modify anything in the legislation.
- f. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?**

The proposed spending plan is intended to support those who have traditionally benefitted the least from public investments, including: immigrant and refugees, people of color, those with language and other institutional barriers to accessing government services. This

legislation supports the City's goals to alleviate poverty, reduce climate change and reliance on fossil fuels, and advance racial equity.

- g. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s).**

See Attachment 1 to the Ordinance that describes the intended spending and goals for outcomes associated with proposed spending plan,

June 9, 2020

## MEMORANDUM

**To:** Select Budget Committee  
**From:** Traci Ratzliff, Analyst and Aly Pennucci, Supervising Analyst  
**Subject:** CB 119774: Payroll Expense Tax Package - Spending Plan and Appropriation

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On Wednesday, June 10, 2020 the Select Budget Committee (Committee) will continue its discussion on the proposed Payroll Expense Tax package (aka Tax on Corporate Payroll). This tax package includes the following three bills:

1. [Council Bill \(CB\) 119772](#) – Tax
2. [CB 119773](#) – Interfund Loan
3. [CB 119774](#) – Spending Plan and Appropriation

This memo describes CB 119774 (Spending Plan and Appropriation), as well as highlights issues and options for the Committee’s consideration. Proposed amendments by the bills’ sponsors are also discussed. (Summary and background information on the proposed spending plan is available in the Central Staff memos posted to the [April 22](#) and [April 29](#) Committee agendas.)

### CB 119774: Description

The proposed spending plan would:

- Authorize spending \$200 million (generated through the Interfund Loan bill) for emergency cash assistance in 2020 for up to 100,000 low-income households including those who have lost income directly as a result of the coronavirus crisis.
- Affirm the Council’s intent as follows:
  - \$205 million in 2021 to repay principal and interest on the Interfund Loan.
  - 75 percent of remaining revenue<sup>1</sup> for investments to build or acquire new social housing.<sup>2</sup>
  - 25 percent of remaining revenue for investments in housing-related strategies called for in Seattle’s Green New Deal (GND).
  - Five percent of remaining revenue in 2021 and three percent of all revenue in all subsequent years for start-up and ongoing administration costs.

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<sup>1</sup> “Remaining revenue” means revenue available each year after repaying the principal and interest on the Interfund Loan (2021 only), as well as start-up and ongoing administrative costs (2021 and beyond).

<sup>2</sup> Under this proposal, social housing is defined as affordable housing that is either publicly owned or owned or operated by a public development authority (PDA) or a nonprofit housing provider that enters into a regulatory agreement with the City that includes rent and income restrictions.

## **CB 119774: Issue Identification**

The following is a discussion of issues identified to date, as well as potential amendments and associated options for the Committee's consideration. The issues and options are not an exhaustive list and additional amendment options may be identified during the course of the Committee's review, discussions, and public engagement.

### **1. Technical and Clarifying Corrections**

CB 119774, as introduced on April 6, 2020, included references to certain figures that are now outdated (e.g., the number of people unemployed during the COVID-19 crisis). The bill also contained placeholder text that the sponsors intended to fill in following committee discussion. In addition, staff identified a few technical errors that should be corrected.

Councilmember Sawant proposed an amendment would substitute version D10c of CB 119774 with D11 to make technical or clarifying amendments to fix typographical and other drafting errors, and to clarify the sponsor's intent. This includes:

- Making typographical corrections and updating figures included in the recitals;
- Reorganizing and adding to the proposed findings, including updating figures in findings S and U in Section 1 of the CB 119774 as introduced;
- Specifying the years covered by the spending plan in Section 2;
- Adding language to clarify the cash assistance would be distributed in four monthly installments of \$500;
- Making typographical corrections in Section 2;
- Clarifying the sponsors intent that the maximum annual rent increase would be permitted for housing units supported by the social housing investment; and
- Naming Finance General and identifying the Budget Summary Level in Section 7 to reflect the proposed appropriation (the \$200 million in emergency assistance).

#### Options:

1. No action (do not make the technical and clarifying amendment); or
2. Adopt Amendment 1 (Attachment A).  
*(Note: Additional technical changes may be identified prior to Council action on amendments, including updating the numbers in Attachment 1 to CB 119774 to align with the effective date and assumed 2020 tax revenues from the tax authorized in CB 119772 is amended.)*



## 2. Emergency Cash Assistance

CB 119774 authorizes spending \$200 million in 2020 for emergency cash assistance to low-income households impacted by the COVID-19 emergency, including but not limited to seniors, immigrants and refugees, and people experiencing homelessness. As proposed, 50 percent (\$100 million) of the funds would be distributed to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, such as Fresh Bucks, the Child Care Assistance Program, and the Early Childhood Education and Assistance Program. The remaining \$100 million would be distributed to those impacted by the COVID-19 crisis but not enrolled in an existing City assistance program(s) or a State assistance program(s) administered by the City, as determined by a distribution plan to be developed by the Executive.

This proposed distribution process prioritizes providing financial assistance to low-income households as quickly as possible. The trade-off in a process designed to move quickly could overlook specific priority populations and/or households most in need due to the economic impacts resulting from the COVID-19 crisis. Page five of the Central Staff memo posted to the [April 29](#) Select Committee agenda describes other models that could be used to distribute the emergency cash assistance. The primary difference between programs described in that memo and the process proposed in CB 119774 is that these other programs rely on partnerships with community-based organizations (CBOs).

While CB 119774 does not prohibit CBOs from distributing at least half of the emergency cash assistance, Councilmember Sawant has proposed an amendment that would explicitly allow half of the funding could be distributed through partnerships with CBOs (see Option 2 below). CBOs are likely better positioned to ensure the assistance is reaching the priority populations and understand the type of assistance needed. Contracting with CBOs and developing a process for distributing such assistance will take more time than providing emergency cash assistance to households already enrolled programs (see Option 3 below).

### Options:

1. No action; or
2. Adopt Amendment 2 (Attachment B) to clarify 50 percent (\$100 million) of the emergency cash assistance may be distributed through a partnership with CBOs that have a demonstrated relationship with communities identified as a priority for receiving this assistance; or
3. Adopt Amendment 3 (Attachment C) requiring all funding (\$200 million) be distributed through a partnership with CBOs for either direct financial assistance (e.g., cash assistance, prepaid debit cards) or support of direct relief services provided by CBOs.

*Note: Options 2 and 3 are mutually exclusive.*

### 3. Spending Categories

As introduced, the new tax revenue in 2021 would provide approximately \$205 million to repay the principal and interest owed on the interfund loan (to provide cash assistance to low-income households in 2020). After loan repayment in 2021, the annual funding would be distributed as follows, after accounting for ongoing administrative costs:

- 75 percent to develop and acquire affordable social housing and provide services for Permanent Supportive Housing (PSH) units.
- 25 percent to support implementation of select housing-related strategies identified in Seattle's Green New Deal (GND) [Resolution 31895](#).

Understanding there are various ways to use this new revenue, Councilmembers may consider other spending priorities. Regardless, any proposed spending plan will be formally adopted for 2021 and beyond through the annual budget process. This could include modifying categories of spending by appropriating money for other programs and services.

Amendment 4 (Attachment D) sponsored by Councilmember Morales would modify the spending categories to include support for the Equitable Development Initiative, as follows:

- 70 percent for investments in social housing
- 20 percent GND investments
- 10 percent to support Equitable Development Initiative (EDI) projects

[EDI](#) addresses displacement and the unequal distribution of opportunities by fostering community leadership and supporting organizations to promote equitable access to housing, jobs, education, parks, cultural expression, healthy food, and other community needs and amenities.

#### Options:

1. No action; or
2. Adopt Amendment 4 (Attachment D) modifying spending categories to include EDI; or
3. Amend the proposed spending categories to include other spending categories.

### 4. Income levels served by Social Housing Investments

CB 119774 would allocate funding to develop and acquire affordable social housing and provide services for permanent supportive housing units for households up to 100 percent of area median income (AMI). City Housing Funding policies have prioritized investments in rental housing production and preservation funds to assist households at or below 80 percent of AMI, with the majority of funds targeted to assist households at or below 30 percent of AMI. This policy is based on data that shows households at or below 80 percent of AMI and lower have

the greatest need for affordable housing<sup>3</sup>. Councilmembers could consider modifying the income levels served to prioritize investments to support households with lower incomes. Councilmember Morales has proposed one option (see Attachment E) that would change the households served by the proposed social housing investments to at or below 80 percent of AMI, with the majority of funds serving households at or below 60 percent of AMI.

Options:

1. No action; or
2. Adopt Amendment 5 (Attachment E) to modify income levels served at or below 80 percent of AMI.

**5. Implementation Plan Submittal date and Process for development**

CB 119774 as introduced requires the Executive to develop an implementation plan consistent with the legislation authorizing spending of the proposed payroll tax. The legislation does not establish a firm timeline for submittal of this plan. Councilmember Morales' proposed amendment would require the Executive to submit the plan for years 2022-2025 by February 1, 2021 and request the Executive seeks input from stakeholders in the plan's development. In addition, the City Council intends to adopt the spending for 2021 as part of the annual 2021 budget adoption process.

Options:

1. No action; or
2. Adopt Amendment 6 (Attachment F) to establish a submittal date for the Implementation Plan; or
3. Propose an alternate schedule for adoption of an Implementation Plan.

**Next Steps**

The Committee will continue discussions and may vote on amendments and the bill on June 17. If there are specific questions or amendments you would like to discuss at this meeting, please let Central Staff know by noon on Friday, June 12.

**Attachments:**

- A. Draft Amendment 1
- B. Draft Amendment 2
- C. Draft Amendment 3
- D. Draft Amendment 4
- E. Draft Amendment 5
- F. Draft Amendment 6

cc: Kirstan Arestad, Executive Director

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<sup>3</sup> See [Table 4 on page 7 of the Central Staff memo](#) posted to April 29 Select Committee agenda.

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~~D10e~~D11

**DRAFT Amendment 1 To Council Bill (CB) 119774**  
**Technical and Clarifying Amendments**  
**Select Budget Committee**

**Sponsor: Councilmember Sawant**

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

**Effect:** This amendment would substitute version D10c of Council Bill (CB) 119774 with D11 to make technical or clarifying amendments, to fix typos and other drafting errors identified by staff, and to clarify the sponsor’s intent. This includes:

- Making typographical corrections and updating figures included in the recitals;
- Reorganization and adding to the proposed findings, including updating figures in findings S and U in Section 1 in CB 119774 as introduce;
- Specifying the years covered by the spending plan in Section 2;
- Adding language to clarify that the intent is for cash assistance to be distributed in 4 monthly installments of \$500 each
- Making typographical corrections in Section 2;
- Clarifying the sponsors intent related to the CPI index and maximum annual rent increase permitted for housing units supported by the social housing investment; and
- Naming finance general and identifying the Budget Summary Level in Section 7 for the proposed appropriation for the \$200 million in emergency assistance.

*Note: Additional technical changes may be identified prior to Council action on amendments, including updating the numbers in Attachment 1 to CB 119774 to align with the effective date and assumed 2020 tax revenues from the tax authorized in CB 119772 is amended.*

**CITY OF SEATTLE**

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

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

..title

AN ORDINANCE establishing a spending plan for the proceeds generated from the payroll expense tax authorized by the ordinance introduced as Council Bill 119772 to fund immediate cash assistance for low-income households impacted by the COVID-19 crisis in 2020 and the development of social housing that is permanently affordable, high-quality, and energy-efficient, to fund housing-related components of Seattle’s Green New Deal as articulated in Resolution 31895, and to fund other investments; establishing a

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1 Social Housing Board and amending the duties of the Green New Deal Oversight Board  
2 to make funding recommendations; establishing a requirement for an Implementation  
3 Plan; adding a new Section 3.14.750 to, and amending Section 3.14.979 of, the Seattle  
4 Municipal Code; amending Ordinance 126000, which adopted the 2020 Budget;  
5 changing appropriations to various departments and budget control levels, and from  
6 various funds in the 2020 Budget; declaring an emergency; and establishing an  
7 immediate effective date; all by a 3/4 vote of the City Council.

8 ..body

9 WHEREAS, the City Council (“Council”) adopted the ordinance introduced as Council Bill

10 119772, authorizing the collection of a new payroll expense tax (“tax on corporate  
11 payroll”) to be imposed beginning June 2020; and

12 WHEREAS, the new tax on corporate payroll is anticipated to generate an average of \$500

13 million in proceeds on an annual basis, as shown in the spending plan proposed

14 expenditures by year included as Attachment 1 to this ordinance; and

15 WHEREAS, on November 2, 2015, the Mayor issued a Proclamation of Civil Emergency to

16 address the homelessness crisis in the City of Seattle; and

17 WHEREAS, on November 3, 2015, the City Council adopted Resolution 31630, ratifying and

18 confirming the Mayoral Proclamation of Civil Emergency; and

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

20 WHEREAS, Seattle has been in the throes of a stunning and unprecedented affordable housing

21 and homelessness crisis, which is now being greatly exacerbated and complicated by the

22 COVID-19 pandemic and related economic and unemployment crisis described more

23 below. Sky-high rents and soaring home prices have been and are driving working-class

24 households, seniors, students, and especially working families of color out of Seattle, and

25 sometimes into homelessness; and

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1 WHEREAS, the affordable housing crisis, and now the COVID-19 pandemic and related  
2 economic and unemployment emergencies, in Seattle are deeply impacting the lives of  
3 people throughout Seattle and the region and disproportionately harmings people of  
4 color, immigrants, the LGBTQ community, indigenous peoples' communities, disabled  
5 community members, and women, who already struggle against entrenched inequality;  
6 and

7 WHEREAS, even as Seattle experienced a record-breaking construction boom, being recognized  
8 as the nation's construction crane capital three years running, the housing crisis  
9 worsened, showing that the for-profit market has failed working people; and

10 WHEREAS, average rents in Seattle rose 69 percent between 2010 and 2018, far beyond the rate  
11 of inflation and more than double the national average; and

12 WHEREAS, numerous studies have shown that rising rent increases homelessness. One such  
13 study showed that each \$100 increase in the average rent caused a 15 percent increase in  
14 homelessness in urban areas; and

15 WHEREAS, the affordable housing crisis is no better for homebuyers, with the median price of  
16 recently sold homes reaching a staggering \$713,900, putting home ownership out of  
17 reach for the vast majority of working people; and

18 WHEREAS, the affordable housing crisis puts housing out of reach for teachers, bus and truck  
19 drivers, healthcare workers, construction workers, city employees, restaurant and bar  
20 workers, and a slew of other workers who daily make Seattle run, and furthermore is  
21 driving out seniors and others who survive on fixed incomes; and

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1 WHEREAS, more than 4,280 students in Seattle Public Schools are homeless or have unstable  
2 housing; and

3 WHEREAS, even before the COVID-19 emergency, thousands of Seattle renters faced eviction  
4 threats every year, and in September 2018, the Seattle Women’s Commission and the  
5 King County Bar Association jointly published *Losing Home: The Human Cost of*  
6 *Eviction in Seattle*, finding that more than half of Seattle renters receiving eviction  
7 notices in 2017 owed one month’s rent or less, and most tenants who are evicted become  
8 homeless; and

9 WHEREAS, the *Losing Home* report found that evictions in Seattle fall disproportionately on  
10 women and people of color, with people of color constituting about 35 percent of renters,  
11 and nearly 52 percent of evictions ~~involved~~involving people of color; and

12 WHEREAS, the soaring cost of housing is destroying the social fabric of communities through  
13 gentrification, driving people away from their friends and family, faith communities,  
14 small businesses, and neighborhoods, as exemplified by the fact that the number of Black  
15 residents in Seattle’s Central District has plunged from 70 percent in the 1970s to under  
16 20 percent today; and

17 WHEREAS, the City is committed to eliminating racial inequities such as these through  
18 implementation of the Race and Social Justice Initiative; and

19 WHEREAS, housing is a human right and Seattle urgently needs bold public policy to solve the  
20 multiple and overlapping crises, including the affordable housing and homelessness

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1 crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the  
2 climate change crisis; and

3 WHEREAS, the private housing market has failed, and will continue to fail, to meet basic human  
4 housing needs; and

5 WHEREAS, the people of Seattle therefore need a significant expansion of social housing  
6 (publicly-owned or publicly-controlled housing), where rents are permanently affordable,  
7 stable, predictable, and fair; and

8 WHEREAS, in 2001, the Seattle City Council (“Council”) adopted, with the Mayor concurring,  
9 Resolution 30316, supporting efforts to curb global warming, adopting greenhouse gas  
10 (GHG) emission reduction goals for Seattle, and committing to ongoing efforts to achieve  
11 these goals; and

12 WHEREAS, the 2016 Greenhouse Gas Inventory, published in February 2019, found that total  
13 greenhouse gas emissions in Seattle rose by one percent between 2014 and 2016, and that  
14 in order to achieve the goals of the Climate Action Plan adopted via Resolution 31447,  
15 Seattle’s emissions reduction rate needs to increase by a factor of seven; and

16 WHEREAS, in August 2016, the Council adopted, with the Mayor concurring, Resolution 31681  
17 to advance the efforts of the Equity & Environment Agenda, adopting goals for all  
18 environmental and sustainability work in Seattle that prioritize communities of color,  
19 immigrants, refugees, people with low-incomes, youth, and limited-English proficiency  
20 individuals; and



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1 WHEREAS, in October 2016, the Council adopted, with the Mayor concurring, Resolution  
2 31712, ~~that which endorsing endorsed~~ community principles for green jobs, ~~defining~~  
3 ~~defined~~ a green job as one that preserves or enhances environmental health as well as the  
4 economic and social well-being of people and communities, centers on communities most  
5 negatively impacted by climate change, and pays a living wage while providing career  
6 pathways; and

7 WHEREAS, the City Council adopted Resolution 31895 establishing a Green New Deal for  
8 Seattle; and

9 WHEREAS, in August 2019, Resolution 31895 recognized that, while it has made some progress  
10 towards reducing its dependence on fossil fuels, the current pace of progress is  
11 insufficient to make the necessary changes to shift Seattle's economy to be more  
12 equitable and ecologically sustainable; and

13 WHEREAS, Resolution 31895 established key goals and committed the City to implement  
14 comprehensive strategies as described in Section 1 of this ordinance; and

15 WHEREAS, Resolution 31895 envisioned the need to establish a dedicated revenue source in  
16 order to implement Green New Deal strategies; and

17 WHEREAS, climate activists in Seattle and worldwide, led by young people, have organized  
18 mass mobilizations and strikes demanding that government take immediate and dramatic  
19 action to address the climate crisis; and

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1 WHEREAS, in Seattle, these demands for a Green New Deal for Seattle have been bravely led  
2 by many people and communities, including middle- and high-school students, workers  
3 in the tech industry, indigenous communities, and communities of color; and

4 WHEREAS, the new tax on corporate payroll will generate significant funds to address  
5 identified inequities and to respond to the multiple and overlapping crises, including the  
6 affordable housing and homelessness crisis, the COVID-19 pandemic and related  
7 economic and unemployment crisis, and the climate change crisis; and

8 WHEREAS, these additional funds will provide immediate financial relief and in the long-term  
9 will increase the construction and preservation of thousands of units of permanently  
10 affordable housing for low- and moderate-income households to address the housing  
11 affordability and homelessness crisis, will contribute to reducing Seattle's climate  
12 pollution, and will in the process support thousands of unionized, living-wage jobs, and  
13 in doing so will help the City make the necessary changes to shift Seattle's economy to  
14 be more equitable and ecologically sustainable; and

15 WHEREAS, the World Health Organization has announced novel coronavirus (COVID-19) is  
16 officially a global pandemic; and

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

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

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

5 WHEREAS, these actions are appropriate for public health reasons but have severe economic  
6 impacts on families and individuals in Seattle; and

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

9 WHEREAS, federal and state assistance to people with low incomes will not be sufficient to  
10 meet their basic needs during this public health and financial crisis; and

11 WHEREAS, without additional financial support, many people with low incomes will face  
12 severe financial hardship which will have significant negative impacts, including but not  
13 limited to public health impacts, greater housing insecurity, as well as impacts to small  
14 businesses and the local economy; and

15 WHEREAS, the City can provide immediate cash assistance to households impacted by this  
16 crisis to help meet their basic needs; and

17 WHEREAS, the City will use an interfund loan authorized by the ordinance introduced as  
18 Council Bill 119773 to provide funding to support the immediate cash assistance to  
19 eligible households in 2020, to be repaid with proceeds from the new tax on corporate  
20 payroll collected in 2021; NOW, THEREFORE,

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

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1 Section 1. Findings. The City Council finds that:

2 A. On February 29, 2020, Governor Inslee proclaimed a State of Emergency for all  
3 counties throughout the State of Washington as a result of the confirmed person-to-person spread  
4 of COVID-19 in Washington State.

5 NB. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of  
6 Seattle based on the confirmed spread of COVID-19 in King County and resulting deaths related  
7 to the COVID-19 virus.

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

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

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

16 F. The COVID-19 disease, caused by a virus that spreads easily from person to person  
17 and which may cause serious injury and death, has spread throughout King County and the City  
18 of Seattle.

19 SG. As of ~~April 1, 2020~~ June 4, 2020, the Washington State Department of Health  
20 confirmed ~~5,984~~ 22,993 cases of COVID-19 and ~~247~~ 1,149 deaths caused by the virus, with  
21 8,371 confirmed cases and 576 deaths caused by the virus in King County.

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1           H. The COVID-19 crisis has had a significant impact on the local economy impacting the  
2 retail, restaurant, construction, gig economy, and other industries resulting in layoffs and reduced  
3 work hours for a significant percentage of this workforce and loss of income for small  
4 businesses. These impacts are being felt most strongly by people with low incomes who have  
5 become unemployed or had their work hours severely reduced and will have both immediate and  
6 long-term impacts.

7           I. There are at least 38,000 businesses in the City of Seattle employing a minimum of  
8 655,000 individuals. Since the Governor of Washington closed or limited operations of many  
9 businesses in the state, the statewide unemployment rate has gone from 5.1 percent in March to  
10 15.4 percent in April. This equates to 199,000 individuals in March, and 610,000 individuals in  
11 April who are unemployed. In the Seattle, Bellevue, Everett area, the unemployment rate has  
12 gone from 5.6 percent in March to 14.5 percent in April. This equates to 96,000 individuals in  
13 March and 248,000 individuals in April who are unemployed. ~~over 785,000 individuals~~  
14 statewide and 40,000 individuals in King County, alone, have filed for unemployment insurance  
15 since March 7, 2020. Unemployment insurance generally only covers a portion of lost wages.

16 Those filing for unemployment insurance will, in all likelihood, only increase as the closure  
17 continues. This will put more and more Seattle households, particularly low-income households,  
18 in financial peril.

19           VJ. Federal and state assistance is inaccessible to many people with low-incomes, is  
20 being delayed for many others, and will not be sufficient to meet their basic needs during the  
21 COVID-19 public health and financial crisis. Additional and immediate financial support to

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1 people with low-incomes is necessary to help meet their basic needs and to help minimize  
2 impacts to public health as well as the local economy.

3 ~~W.K.~~ The economic impacts from the COVID-19 emergency are drastic and immediate,  
4 but are also expected to last much longer than the civil shut-down emergency itself.

5 ~~X.L.~~ The spending plan is being tailored to address both immediate and long-term, basic  
6 human health and housing needs created by the multiple and overlapping crises, which include  
7 the long-running affordable housing and homelessness crisis, which has now been greatly  
8 exacerbated and complicated by the COVID-19 pandemic and related economic and  
9 unemployment crises, as well as the longer-term climate change crisis which nevertheless  
10 requires prompt and bold action now.

11 ~~M.~~ Supporting the development and preservation of stable and permanently affordable  
12 housing for people experiencing homelessness and also for low- and middle-income households  
13 with incomes up to 100 percent of the area median income (AMI) is a fundamental governmental  
14 purpose and will result in numerous benefits to the City as described below.

15 ~~N. Based upon the projections of medical professionals, scientists, and economists, the~~  
16 ~~City finds that without a significant increases in investments in stable, affordable housing, more~~  
17 ~~people will become homeless, costing the city more in the long run. One cost study in Seattle~~  
18 ~~found permanent supportive housing (PSH) with a housing first approach reduced the estimated~~  
19 ~~cost of chronically homeless individuals on public systems by more than \$36,000 per year,~~  
20 ~~compared to an estimated \$20,000 in annual operating costs for a PSH unit (not including capital~~  
21 ~~costs to create the units.~~

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1           EQ. The 2019 point-in-time count of people experiencing homelessness in King County  
2 found at least 5,228 individuals living unsheltered in addition to at least 5,971 more individuals  
3 who are experiencing homelessness but are sheltered, for a total of at least 11,119 individuals  
4 who are experiencing homelessness. Also, more than 4,280 students in Seattle Public Schools  
5 were homeless or had unstable housing.

6           BP. Data from the 2012-2016 American Community Survey (ACS) shows that: over  
7 65,000 households in Seattle with incomes at or below 100 percent of AMI are cost burdened,  
8 paying more than 30 percent of their income for rent and utilities; and 29,000 households with  
9 incomes at or below 50 percent of area AMI are severely cost burdened, paying over 50 percent  
10 of their income for rent and utilities, and, as a result, are at potential risk of homelessness.

11           HQ. In certain cases, mixed-income affordable housing projects may be desirable and  
12 may contribute to the long-term sustainability of the project.

13           DR. Increased investments in stable and permanently affordable housing will reduce the  
14 number of households that are cost burdened or severely cost burdened, which should help with  
15 the prevention of homelessness and the severe associated harms and costs.

16           S. In addition, public health officials have noted that people experiencing homelessness  
17 are at greater risk of contracting COVID, potentially putting not just themselves at risk of illness  
18 or death, but also subjecting those around them with increased risk.

19           T. Therefore, the city's emergency response to the COVID crisis must include an  
20 aggressive program of building a massive number of permanently affordable housing, to reduce  
21 long-term costs to the city and to reduce the risk of further spread of deadly viruses.

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1 U. The experience of the Great Depression shows that any meaningful COVID  
2 emergency response must include immediate relief and also longer-term affordable housing and  
3 jobs, as a single integrated emergency response to this historic crisis.

4 ~~D. Increased investments in stable and permanently affordable housing will reduce the~~  
5 ~~number of households that are cost-burdened or severely cost-burdened, which should help with~~  
6 ~~the prevention of homelessness and the severe associated harms and costs.~~

7 EV. Publicly-funded workers, such as teachers, firefighters, public servants, law  
8 enforcement, nurses, social workers, and transit operators, including those in professions  
9 historically underrepresented by persons and communities of color, often cannot afford to live in  
10 the communities in which they serve due to increasing housing costs. Employees of nonprofit  
11 organizations who help deliver essential public services on contract, as well as those who help  
12 provide essential services to the poor and infirm as part of their organizational mission, are  
13 similarly housing cost constrained.

14 FW. It will benefit the City if public employees and other middle-income and low-  
15 income employees are able to find affordable housing in the communities where they work.

16 GX. Stable and permanently affordable housing for low-income and middle-income  
17 residents is expected to result in stronger educational outcomes for children and better health  
18 outcomes for families.

19 ~~H. In certain cases, mixed income affordable housing projects may be desirable and may~~  
20 ~~contribute to the long-term sustainability of the project. —~~



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1 ~~FY~~. Additional permanently affordable housing is also anticipated to result in benefits to  
2 the economy, such as generating additional tax revenue to the City and supporting construction  
3 jobs related to the development of new housing as described in the April 2015 National  
4 Association of Home Builders (NAHB) report that showed construction of a 100 unit  
5 multifamily building supported 90 construction jobs.

6 ~~FZ~~. Climate change is altering Washington’s seasonal temperature and rainfall patterns.  
7 This change can result in introducing new or exacerbating existing health risks, such as heat-  
8 related illnesses, increased risk of breathing and heart problems from smoke exposure, food and  
9 water contamination, traumatic injuries, mental health problems from flooding and other weather  
10 extremes, and increased exposure to infectious diseases. While the City has made some progress  
11 towards reducing its dependence on fossil fuels, the primary source of carbon dioxide emissions,  
12 as one strategy to address climate change, that progress is insufficient to make the necessary  
13 changes to shift Seattle’s economy to be more equitable and ecologically sustainable.

14 ~~KAA~~. Energy for heating, cooling, and powering buildings accounted for more than one-  
15 third of Seattle’s greenhouse gas emissions in 2016.

16 ~~LBB~~. Implementing housing-related strategies outlined in the City’s Green New Deal,  
17 Resolution 31895, will help achieve the goals outlined in that resolution to create a future where  
18 Seattle residents can live healthy, prosperous lives, free of toxic chemicals and fossil fuels, and  
19 where the social and ecological well-being of all people is a priority. These housing-related  
20 strategies include the following:

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1                   1. Creating more permanently affordable housing, located near transit hubs, green  
2 space, and neighborhood amenities to reduce dependence on private vehicles;

3                   2. Using anti-displacement strategies and alternative housing models, such as:  
4 acquisition of existing affordable housing in areas at risk of displacement, community-owned  
5 cooperative housing, community land ownership, and community land conservation that will  
6 allow communities to grow and prosper within Seattle;

7                   3. Increasing housing density as a means to meet both current unmet demand for  
8 affordable housing and projected future population growth;

9                   4. Supporting the transition of housing from the use of natural gas and heating oil  
10 to electricity;

11                  5. Strengthening green building standards for new construction to minimize  
12 emissions while maximizing energy efficiency; and

13                  6. Expanding renewable energy jobs and investing in job training programs that  
14 equip all workers with the necessary skills to thrive in the green economy and ensure a just  
15 transition for workers whose jobs currently depend on the fossil fuel industry (e.g., retraining  
16 mechanics to service electric vehicles) and prepare new workers to support the transition to a  
17 renewable energy economy.

18                  MCC. The failure to make adequate provision for housing affordable to households with  
19 incomes at or below 100 percent of AMI can push many households to seek housing further  
20 away from work, which leads to increased greenhouse gas emissions from transportation, as well  
21 as congestion on the transportation infrastructure. Providing for more housing affordable to

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1 households with incomes at or below 100 percent of AMI in the City could result in commute  
2 trip reductions, less traffic for City residents and City employees, less City spending on  
3 transportation infrastructure, and a reduction in greenhouse gas emissions.

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

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

9 ~~P. On March 13, 2020, the Governor of Washington state issued an emergency order~~  
10 ~~announcing all K-12 schools in Washington to be closed from March 17, 2020 through April 24,~~  
11 ~~2020 to combat the spread of the disease.~~

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

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

18 ~~S. As of April 1~~May 2~~, 2020, the Washington State Department of Health confirmed~~  
19 ~~5,984~~15,003 ~~cases of COVID-19 and 247~~830 ~~deaths caused by the virus in Washington State,~~  
20 ~~with 6,351 confirmed cases and 457 deaths caused by the virus in King County.~~

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1 ~~T. The COVID-19 crisis has had a significant impact on the local economy impacting the~~  
2 ~~retail, restaurant, construction, gig economy, and other industries resulting in layoffs and reduced~~  
3 ~~work hours for a significant percentage of this workforce and loss of income for small~~  
4 ~~businesses. These impacts are being felt most strongly by people with low incomes who have~~  
5 ~~become unemployed or had their work hours severely reduced and will have both immediate and~~  
6 ~~long term impacts.~~

7 ~~U. There are at least 38,000 businesses in the City of Seattle employing a minimum of~~  
8 ~~655,000 individuals. Since the Governor of Washington closed or limited operations of many~~  
9 ~~businesses in the state, over 133,000 individuals statewide and 37,000 individuals in King~~  
10 ~~County, alone, have filed for unemployment insurance in just the first weeks 7, 2020.~~

11 ~~Unemployment insurance generally only covers a portion of lost wages. Those filing for~~  
12 ~~unemployment insurance will, in all likelihood, only increase as the closure continues. This will~~  
13 ~~put more and more Seattle households, particularly low income households, in financial peril.~~

14 ~~V. Federal and state assistance is inaccessible to many people with low incomes, is being~~  
15 ~~delayed for many others, and will not be sufficient to meet their basic needs during the COVID-~~  
16 ~~19 public health and financial crisis. Additional and immediate financial support to people with~~  
17 ~~low incomes is necessary to help meet their basic needs and to help minimize impacts to public~~  
18 ~~health as well as the local economy.~~

19 ~~W. The economic impacts from the COVID-19 emergency are drastic and immediate, but~~  
20 ~~are also expected to last much longer than the civil shut down emergency itself.~~

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1 ~~X. The spending plan is being tailored to address both immediate and long-term, basic~~  
2 ~~human health and housing needs created by the multiple and overlapping crises, which include~~  
3 ~~the long-running affordable housing and homelessness crisis, which has now been greatly~~  
4 ~~exacerbated and complicated by the COVID-19 pandemic and related economic and~~  
5 ~~unemployment crises, as well as the longer-term climate change crisis which nevertheless~~  
6 ~~requires prompt and bold action now.~~

7 ~~YDD.~~ Investments in affordable housing and Seattle's Green New Deal are necessary to  
8 help counteract the economic and health impacts caused by the COVID-19 crisis by creating jobs  
9 and increasing the supply of long-term affordable housing that will be needed by people who  
10 saw a significant reductions in income due to employment changes stemming from the crisis.

11 EE. This legislation is necessary to respond to the COVID-19 public health emergency  
12 because this legislation will fund programs and services needed to address the interrelated  
13 income, housing, and jobs crises caused by the COVID-19 crisis.

14 Section 2. Proceeds from the new tax on corporate payroll imposed by the ordinance  
15 introduced as Council Bill 119772 shall be used as described in subsections 2.A through 2.D of  
16 this ordinance. Immediate cash assistance to low-income households impacted by COVID-19  
17 crisis will be provided in 2020 and funded by an interfund loan authorized by the ordinance  
18 introduced as Council Bill 119773. Proceeds from the tax on corporate payroll will be used to  
19 repay this loan. Attachment 1 to this ordinance establishes the proposed ~~spending~~  
20 ~~plan~~expenditures by year for from the ~~first five years of the~~ tax on corporate payroll for years

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1 2020 through 2025. The ~~spending plan~~proposed expenditures may be amended from time to time  
2 by the City Council by ordinance.

3 A. Implementation and administrative costs. No more than five percent of the proceeds in  
4 the first year shall be used to fund one-time expenditures to implement and administer the tax on  
5 corporate payroll authorized by the ordinance introduced as Council Bill 119772 and to  
6 implement the investments in Housing and Services, Green New Deal housing-related strategies,  
7 and cash assistance for low-income households impacted by the COVID-19 crisis, described in  
8 Section 2 of this ordinance. No more than three percent of the proceeds in subsequent years shall  
9 be used to fund the ongoing administrative functions to assess and collect the tax and administer  
10 the investments in Housing and Services and Green New Deal housing-related strategies  
11 described in Section 2 of this ordinance.

12 B. Cash assistance for low-income households impacted by COVID-19 crisis. In 2021,  
13 approximately \$205,000,000 shall be allocated to pay back the interfund loan authorized by the  
14 ordinance introduced as Council Bill 119773, used in 2020 to provide cash assistance to low-  
15 income households in Seattle in response to the economic impacts of the COVID-19 crisis. The  
16 economic impacts caused by COVID-19 include but are not limited to loss or reduction in  
17 income because of: illness; loss of employment; reduction in compensated hours of work;  
18 business or office closure; a need to miss work to care for a family member or child, where that  
19 care is uncompensated; or other similar loss of income due to the COVID-19 crisis. These funds  
20 ~~could~~shall serve up to 100,000 Seattle households with monthly payments of \$500 for four  
21 months.

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1                   1. Distribution. The cash assistance shall be distributed to the households  
2 described in subsections 2.B.1.a through 2.B.1.c of this ordinance in four monthly payments of  
3 \$500 each for a total of \$2,000 per household over a four month period.

4                   a. Up to \$100,000,000 will be distributed first to low-income households  
5 enrolled in existing City assistance programs, or State assistance programs administered by the  
6 City, that provide a direct financial benefit, including, but not limited to: the Utility Discount  
7 Program, Early Childhood Education and Assistance Program, Child Care Assistance Program,  
8 households that qualify for free tuition in the Seattle Preschool Program and Pathway to Seattle  
9 Preschool Program, and Fresh Bucks.

10                  b. Up to \$100,000,000 will be distributed to low-income households  
11 economically impacted by the COVID-19 crisis but not enrolled in existing City assistance  
12 programs that provide a direct financial benefit (e.g. food vouchers, child care tuition assistance,  
13 utility discounts). The distribution should prioritize those who experience structural or  
14 institutional barriers to accessing support from the government (e.g. language barriers, fear of  
15 deportation, experiencing homelessness, lack of a permanent address, experiencing domestic  
16 violence, seniors), and those who require assistance immediately (i.e. people who are recently  
17 unemployed or had their work hours severely reduced). The Executive shall establish eligibility  
18 criteria for distributing cash assistance to low-income households who are not receiving cash  
19 assistance through the process established in subsection 2.B.1.a but have been economically  
20 impacted by the COVID-19 crisis.

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1 c. After distributing the first of the four payments to households described  
2 in subsections 2.B.1.a and 2.B.1.b of this ordinance, any remaining, unallocated funds may be  
3 distributed to either households enrolled in existing City assistance programs or to households  
4 identified in subsection 2.B.1.b.

5 2. For purposes of this ordinance, a low-income household means: (1) any  
6 household that is eligible for existing City assistance programs, or State assistance programs  
7 administered by the City; or (2) households not enrolled in such programs that have been  
8 impacted by the COVID-19 crisis and meet eligibility criteria established by the Executive.

9 3. The Executive shall establish criteria and a process to distribute the cash  
10 assistance to households described in subsection 2.B.1.b of this ordinance and shall provide a  
11 written report or briefing to the City Council ~~on the~~ prior to distributing funds.

12 4. The Executive shall provide a monthly report to the City Council on the  
13 distribution of the cash assistance. The report shall include details on the spending to date,  
14 including information on the households receiving the cash assistance, and modifications made,  
15 if any, to the process or criteria used for distribution. The first report shall be due two weeks after  
16 the first payment is distributed.

17 C. Housing and services. Seventy-five percent of the proceeds remaining after funding  
18 implementation and administration costs in subsection 2.A of this ordinance, and after funding  
19 payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to  
20 develop and preserve permanently affordable social housing for households experiencing  
21 homelessness and those with incomes between zero and 100 percent of AMI as will be further



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1 defined in the implementation plan described in Section 4 of this ordinance. Newly constructed  
2 housing will be built consistent with the Seattle’s Green New Deal strategies to equitably  
3 increase building energy efficiency and decrease use of fossil fuels in homes, as outlined in  
4 Resolution 31895. Such housing will be publicly owned or be publicly rent-controlled and  
5 regulated through appropriate legal agreements between the City and the housing providers.  
6 Such legal agreements shall specify the affordability requirements, including limiting annual rent  
7 increases for tenants to not more than the annual percentage increase in the Seattle-Tacoma-  
8 Bremerton Area Consumer Price Index for Urban Wage Earners and Clerical Workers, termed  
9 CPI-W, or 3 percent, whichever is lower~~housing component of the consumer price index for rent~~  
10 ~~of primary residences for the Seattle area~~. The proceeds for housing and services may be used  
11 for:

- 12 1. Developing and preserving permanently affordable rental housing for  
13 households with incomes between zero and 100 percent of AMI. Such housing may be mixed-  
14 income and may also include, and funds may be used to provide, related and needed community  
15 services and spaces such as affordable childcare, community gathering spaces, and open space;
- 16 2. Funding to support the ongoing operations and services for permanent  
17 supportive housing units, including an array of comprehensive services such as counseling and  
18 treatment, disability support, skills training, job search assistance, and other services needed to  
19 maintain housing stability; and
- 20 3. Acquiring existing affordable housing, particularly in areas at high risk for  
21 displacement of existing low-income and moderate-income households.

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1 D. Green New Deal housing related strategies. Twenty-five percent of the proceeds  
2 remaining after funding implementation and administration costs in subsection 2.A of this  
3 ordinance, and after funding payment of the interfund loan described in subsection 2.B of this  
4 ordinance, shall be allocated to investments in the following programs to implement the  
5 housing-related strategies called for in the Green New Deal. Investments shall be prioritized in  
6 communities historically most harmed by economic, racial, and environmental injustice.

7 1. Transitioning housing units from the use of natural gas and heating oil to  
8 electricity;

9 2. Solar installations;

10 3. Weatherization of existing residences, with a focus on housing for renters; and

11 4. Investing in job training programs to equip workers with the necessary skills to  
12 thrive in a green economy and ensure a just transition for workers whose jobs currently depend  
13 on the fossil fuel industry or who have been impacted by the COVID-19 economic and  
14 unemployment crisis, and prepare new workers to support the transition to renewable energy  
15 jobs. Specific investment proposals shall be informed by recommendations from the Green New  
16 Deal Oversight Board. The Green New Deal Oversight Board shall invite workers who are  
17 directly employed by the fossil fuel industry, or who have been impacted by the COVID-19  
18 economic and unemployment crisis, or who are in jobs that may be displaced as a result of  
19 implementation of this spending plan, along with their unions, to work with them on just  
20 transition recommendations that have the objective of eliminating economic harm to affected  
21 workers.

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1 Section 3. A new Section 3.14.750 of the Seattle Municipal Code is added to Subchapter  
2 V of Chapter 3.14 as follows:

3 **3.14.750 Social Housing Board established**

4 A. Establishment. There is established a Social Housing Board that shall make  
5 recommendations to the City Council and Mayor on the housing programs and related services  
6 that will be funded with the proceeds from the new tax on corporate payroll, established by the  
7 ordinance introduced as Council Bill 119772. Duties of the Board shall include the following:

8 1. Providing ongoing program and policy review, oversight, and monitoring of  
9 expenditures in the housing and services category, and review the performance of programs and  
10 services funded by the tax on corporate payroll.

11 2. Providing recommendations on the development and any future modifications to  
12 the implementation plan and funding policies for housing programs funded with the proceeds  
13 from the tax on corporate payroll.

14 3. Reviewing and providing recommendations to the City Council annually on the  
15 formation of requests for proposals that the Office of Housing issues to solicit development  
16 proposals from public and nonprofit housing providers.

17 4. Providing recommendations annually to the City Council on City budget  
18 priorities for housing and priority City actions in a given year for use of funds generated from the  
19 tax on corporate payroll. The City Council shall act on the recommendations through the annual  
20 budget process following a public hearing.

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1                   5. Coordinating efforts with the Green New Deal Oversight Board in Section  
2 3.14.979 as needed, meeting at least annually to coordinate activities and to invite public  
3 comment and input on their work.

4           B. Membership. The Social Housing Board shall be comprised of 23 members serving  
5 two-year terms, with three members from each Council district, plus two or more designated  
6 young adult members, whose terms and method of appointment are governed by the Get  
7 Engaged Program in Chapter 3.51. Members of the Social Housing Board should include renters  
8 and homeowners, individuals from historically underrepresented groups, as well as individuals  
9 with housing development and finance experience.

10           C. Selection process

11                   1. Members of the Social Housing Board other than the Get Engaged members  
12 shall be appointed by the City Council. Each of the seven City Councilmembers who represents a  
13 district shall nominate three people who live in the Councilmember's district. Initial terms end  
14 on December 31, 2023; subsequent terms end every two years thereafter. Any vacancy in an  
15 unexpired term of an appointed position shall be filled in the same manner as the original  
16 appointment.

17                   2. If the City Charter is amended to allow for an election of members to the Social  
18 Housing Board, beginning in the 2023 primary and general election, for terms starting on  
19 January 1, 2024 and every two years thereafter, all members of the Social Housing Board except  
20 the Get Engaged members shall be elected. Voters in each City Council district are eligible to  
21 vote for the three representatives from the corresponding City Council district. If the City

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1 Charter is amended, the City Council intends to consider legislation to establish a regulatory  
2 framework governing such election. Vacancies between elections will be filled by the selection  
3 process in subsection 3.14.750.C.1.

4 D. A member whose term is ending may continue on an interim basis as a member with  
5 voting rights until such time as a successor for that position has been appointed or elected. This  
6 subsection 3.14.750.D does not apply to the Get Engaged members.

7 E. Any member may request an excused absence from any Social Housing Board  
8 meeting. The Social Housing Board may recommend, by a majority vote of all members of the  
9 Social Housing Board, that the City Council remove any Council-appointed member who is  
10 absent without excuse from three or more consecutive Board meetings. Any member may resign  
11 from the Social Housing Board at any time by notifying the City Council in writing. The City  
12 Council may remove any Council-appointed member for cause.

13 F. Meetings of the Social Housing Board

14 1. The Social Housing Board shall meet as a whole at least four times each year to  
15 conduct a quarterly review of social housing development in Seattle, to take public comment,  
16 and to make recommendations on program or policy changes to City Council and the Mayor. The  
17 Social Housing Board shall seek input from the public to inform their recommendations to the  
18 City Council and the Mayor. The Director of the Office of Housing shall make public in a timely  
19 manner a schedule and location of the Social Housing Board meetings.

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1                   2. Meeting notifications, agendas, minutes of proceedings, findings, and  
2 recommendations, civic engagement information, and any other materials shall be available to  
3 the public and posted on the Social Housing Board’s website.

4                   3. All meetings of the Social Housing Board shall be held in the evening in a  
5 location that is accessible and conveniently located to the public. Social Housing Board meetings  
6 shall be open to the public.

7                   G. The Office of Housing shall provide staff support for the Social Housing Board as  
8 needed to ensure their ability to function and to maintain the Social Housing Board’s website.

9                   Section 4. Section 3.14.979 of the Seattle Municipal Code, enacted by Ordinance 125926,  
10 is amended as follows:

11 **3.14.979 Green New Deal Oversight Board**

12                   A. There is established a Green New Deal Oversight Board (Board) that shall advise and  
13 make recommendations to the Mayor and City Council related to the Green New Deal for Seattle  
14 and monitor progress in meeting intended outcomes and goals. Duties of the Board shall include  
15 the following:

16                   1. Providing proposals for the design of new policies, programs, and projects and  
17 for modifications to existing policies, programs, and projects to the Mayor, City Council, and  
18 City departments that advance the Green New Deal for Seattle;

19                   2. Supporting the planning and implementation of individual City departmental  
20 actions, policies, programs, and practices, to make Seattle climate-pollution free by 2030;

21                   3. Providing recommendations on City budget priorities and priority City actions;

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1                   4. Coordinating efforts with the Environmental Justice Committee, Equitable  
2 Development Initiative Advisory Board, Transportation Equity Workgroup, and other City  
3 Boards and Commissions, as needed((-) ) , and meeting at least annually with the Social Housing  
4 Board to coordinate activities and to invite public comment and input on their work;

5                   5. Submitting an initial workplan to the Council and the Mayor by July 1, 2020,  
6 and provide an updated workplan annually thereafter. The workplan should:

7                   a. Define what constitutes a policy, program, or project that advances the  
8 Green New Deal for Seattle;

9                   b. Identify the Board's annual scope of work, including priorities, goals,  
10 outcomes, and key stakeholders to consult; and

11                   c. Provide an annual engagement plan for collaborating with existing  
12 committees, boards, and commissions whose scope align with those of the Board((-) ) ;

13                   6. Reviewing a semiannual, or at a frequency determined by the workplan, report  
14 of outcomes and indicators for the previous year related to policies, programs, and projects  
15 related to the Green New Deal for Seattle((-) ) ; and

16                   7. Making recommendations to the City Council and Mayor on Green New Deal  
17 housing related strategies that will be funded with the proceeds from the tax on corporate payroll,  
18 including recommendations on the development and any future modifications to the  
19 implementation plan.

20                   \* \* \*

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1 Section 5. Implementation plan. On or before ~~DATE,~~February 1, 2021, the Executive  
2 shall submit an Implementation Plan for the new tax on corporate payroll to the City Council.

3 The Plan may be amended by ordinance. The plan shall include:

4 A. A specific spending proposal for the Housing and Services and Green New Deal  
5 investments years one through five consistent with the program areas described in subsections  
6 2.C and 2.D of this ordinance;

7 B. Proposed outcomes for each funded program or service;

8 C. How the programs or services will be implemented (such as responsible department  
9 and funding processes);

10 D. Proposed policies for implementing funded programs or services, prioritizing  
11 investments in communities historically most harmed by economic, racial, and environmental  
12 injustice, at high risk of displacement; and

13 E. Proposal for working with the Social Housing Board and the Green New Deal  
14 Oversight Board to provide ongoing program and policy review, oversight and monitoring of  
15 expenditures, and reviewing performance of programs and services as the plan is implemented.

16 The City Council intends to adopt modifications to the City's Housing Funding Policies  
17 to have such policies apply to the revenues generated from the new tax on corporate payroll. This  
18 shall include changes to reflect annual reporting requirements for investments made using the  
19 proceeds from the tax on corporate payroll. The Council anticipates adopting such modifications  
20 when adopting the Implementation Plan in 20202021.



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1 The Executive shall work with the City Council, the Social Housing Board, and the  
 2 Green New Deal Oversight Board in the development of this Implementation Plan to ensure it is  
 3 consistent with the proposed Spending Plan. The City Council intends to add a proviso to  
 4 funding in the 2021 budget to ensure funding is appropriated consistent with the proposed  
 5 ~~Spending Plan~~ expenditures by year found in Attachment 1 to this ordinance, as may be amended  
 6 by the City Council.

7 Section 6. It is the Council’s intent that new construction multi-family housing  
 8 development projects described in Section 2 of this ordinance, regardless of whether the project  
 9 is or is not considered a public works project, shall be consistent with the standards set forth in  
 10 Chapter 20.37 of the Seattle Municipal Code, known as the Priority Hire Program, and the  
 11 standards described below. Such standards shall include: hiring of workers who are from  
 12 economically distressed ZIP codes and apprenticeship utilization; and other standards such as  
 13 payment of commercial prevailing wages which shall be included in a Community Workforce  
 14 Agreement. New construction housing development projects shall also demonstrate adherence to  
 15 labor laws and a commitment to labor harmony.

16 Section 7. In order to pay for necessary costs and expenses incurred or to be incurred in  
 17 2020, but for which insufficient appropriations were made due to causes that could not  
 18 reasonably have been foreseen at the time of making the 2020 Budget, contingent appropriations  
 19 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	<del>TBD</del> <u>Finance</u> <u>General</u>	General Fund <u>(00100)</u>	<u>FG -BO-FG-2QD00 -</u> <u>Reserve</u> <del>TBD</del>	\$200,000,000

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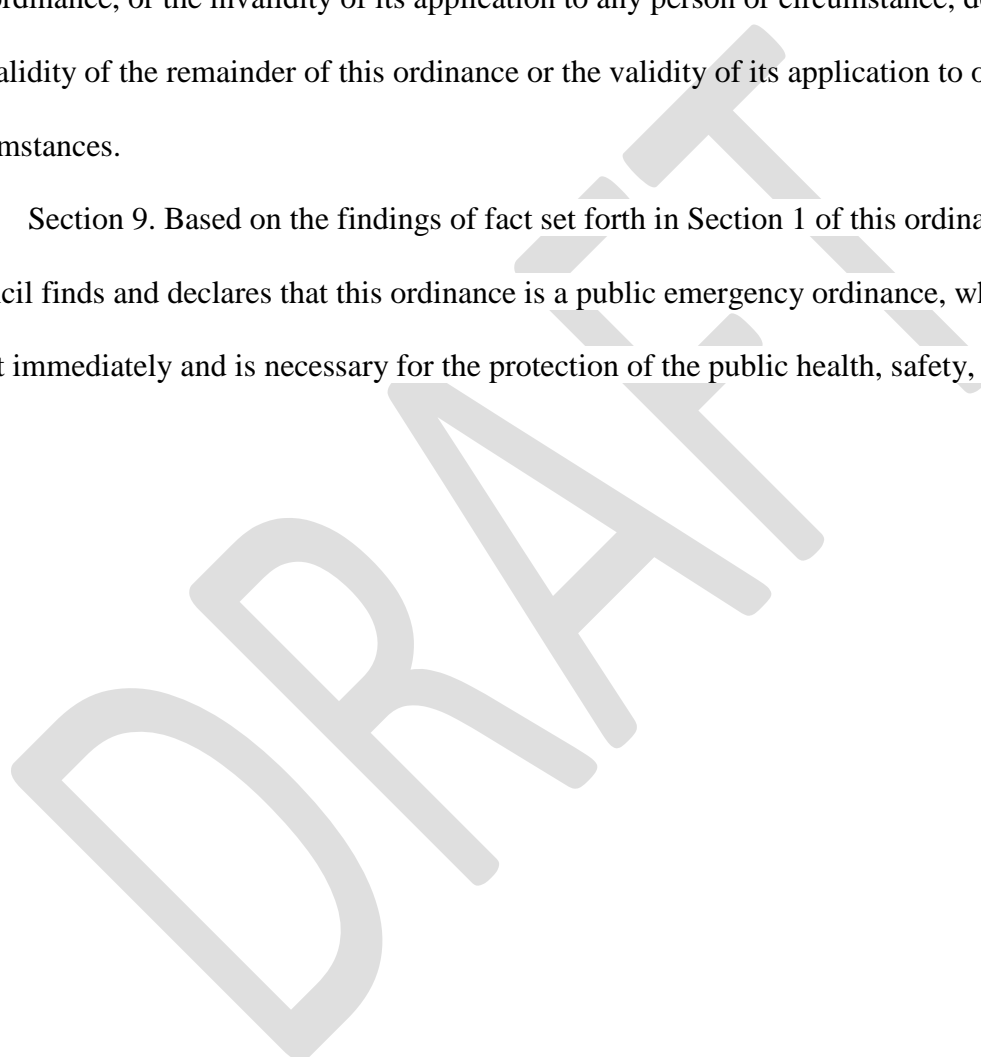
Section 8. Severability. The provisions of this ordinance are declared to be separate and severable. The invalidity of any clause, sentence, paragraph, subdivision, section, or portion of this ordinance, or the invalidity of its application to any person or circumstance, does not affect the validity of the remainder of this ordinance or the validity of its application to other persons or circumstances.

7

8

9

Section 9. 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.



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1 Section 10. By reason of the findings set out in this ordinance, and the emergency that is  
2 declared to exist, this ordinance shall become effective immediately upon a passage by a 3/4 vote  
3 of the Council, and its approval by the Mayor, as provided in Article IV, subsection 1.I of the  
4 Charter of the City.

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

8 \_\_\_\_\_  
9 President \_\_\_\_\_ of the City Council

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

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

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

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

16 (Seal)  
17

Draft Amendment 1 to CB 119774  
Select Budget Committee  
June 10, 2020  
Version: 1

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- 1 Attachments:
- 2 Attachment 1 – ~~Proposed Five Year Spending Plan~~Proposed Expenditures by Year (2020-2025)

DRAFT

**DRAFT Amendment 2 To Council Bill (CB) 119774 to Clarify Process for Distribution of Cash Assistance**  
**Select Budget Committee**

**Sponsor: Councilmember Sawant**

Amendatory language shown in [track changes](#) ~~track changes~~

**Description:** CB 119774 authorizes spending \$200 million in 2020 for emergency cash assistance to low-income households impacted by the COVID-19 emergency, including but not limited to seniors, immigrants and refugees, and people experiencing homelessness.

As proposed, 50 percent (\$100 million) of the funds would be distributed to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, such as Fresh Bucks, the Child Care Assistance Program, and the Early Childhood Education and Assistance Program. The remaining \$100 million would be distributed to those impacted by the COVID-19 crisis but not enrolled in an existing City assistance program(s) or a State assistance program(s) administered by the City, as determined by a distribution plan to be developed by the Executive.

This amendment would clarify that the second half of funding could be distributed through a partnership with CBOs who have relationships with those communities identified as a priority for this assistance (e.g. low-income households, including but not limited to seniors, immigrants and refugees, and people experiencing homelessness). The bill as introduced would not prohibit such a partnership; this amendment clarifies that this could be included in the Executive's proposed distribution plan.

**Amendment**

Amend Section 2, subsection 2.B.1.b, of Council Bill 119774 as follows:

Section 2.

\* \* \*

B. Cash assistance for low-income households impacted by COVID-19 crisis. In 2021, approximately \$205,000,000 shall be allocated to pay back the interfund loan authorized by the ordinance introduced as Council Bill 119773, used in 2020 to provide cash assistance to low-income households in Seattle in response to the economic impacts of the COVID-19 crisis. The economic impacts caused by COVID-19 include but are not limited to loss or reduction in income because of: illness; loss of employment; reduction in compensated hours of work; business or office closure; a need to miss work to care for a family member or child, where that care is uncompensated; or other similar loss of income due to the COVID-19 crisis. These funds shall serve up to 100,000 Seattle households with monthly payments of \$500 for four months.

1. Distribution. The cash assistance shall be distributed to the households described in subsections 2.B.1.a through 2.B.1.c of this ordinance in four monthly payments of \$500 each for a total of \$2000 per household over a four month period.

a. Up to \$100,000,000 will be distributed first to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, that provide a direct financial benefit, including, but not limited to: the Utility Discount Program, Early Childhood Education and Assistance Program, Child Care Assistance Program, households that qualify for free tuition in the Seattle Preschool Program and Pathway to Seattle Preschool Program, and Fresh Bucks.

b. Up to \$100,000,000 will be distributed to low-income households economically impacted by the COVID-19 crisis but not enrolled in existing City assistance programs that provide a direct financial benefit (e.g. food vouchers, child care tuition assistance, utility discounts). The distribution should prioritize those who experience structural or institutional barriers to accessing support from the government (e.g. language barriers, fear of deportation, experiencing homelessness, lack of a permanent address, experiencing domestic violence, seniors), and those who require assistance immediately (i.e. people who are recently unemployed or had their work hours severely reduced). The City may contract with community based organizations (CBOs) who have a history of trust and success in reaching low-income communities and people experiencing homelessness, including experience reaching those who are traditionally marginalized or typically face barriers to enrolling in assistance programs, and other historically marginalize communities, to work with the City to identify eligible households and distribute the cash assistance. The Executive, in partnership with any CBOs contracted to assist with distribution, shall establish eligibility criteria for distributing cash assistance to low-income households who are not receiving cash assistance through the process established in subsection 2.B.1.a but have been economically impacted by the COVID-19 crisis.

\* \* \*

**DRAFT Amendment 3 To Council Bill (CB) 119774 to Modify Distribution of Cash Assistance**

**Select Budget Committee**

**Sponsor: Councilmember Morales**

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

**Description:** CB 119774 authorizes spending \$200 million in 2020 for emergency cash assistance to low-income households impacted by the COVID-19 emergency, including but not limited to seniors, immigrants and refugees, and people experiencing homelessness. As proposed, 50 percent (\$100 million) of the funds would be distributed to low-income households enrolled in existing City assistance programs, or State assistance programs administered by the City, such as Fresh Bucks, the Child Care Assistance Program, and the Early Childhood Education and Assistance Program. The remaining \$100 million would be distributed to those impacted by the COVID-19 crisis but not enrolled in an existing City assistance program(s) or a State assistance program(s) administered by the City, as determined by a distribution plan to be developed by the Executive.

This amendment would modify the process for distributing cash assistance by requiring that the (\$200 million) would be distributed through partnerships with CBOs. This would be similar to the process developed for distribution of the second round of vouchers distributed for the [Emergency Grocery Voucher program](#) where the Office of Sustainability and Environment, in coordination with other City departments, worked with CBOs to identify households to distribute the vouchers to (the CBOs created the list and the City distributed the vouchers).

In addition, this amendment would allow use of this funding for either direct financial assistance (e.g. cash assistance, prepaid debit cards) or to support direct relief services provided by CBOs. Direct relief services include programs that:

- Improve food access;
- Provide rental or mortgage assistance;
- Assist with necessary bills, such as utility bills;
- Assist with medical expenses;
- Assist with the purchase of diapers and baby formula and other child-care expenses;
- Assist survivors of domestic violence;
- Provide case management;
- Provide other direct relief services provided by CBOs to assist individuals and families in meeting basic needs, including essential hygiene, and alleviate hardships.

Amend Section 2 to CB 119774 as follows:

\* \* \*

Section 2. Proceeds from the new tax on corporate payroll imposed by the ordinance introduced as Council Bill 119772 shall be used as described in subsections 2.A through 2.D of

this ordinance. Immediate ~~cash~~-assistance to low-income households impacted by COVID-19 crisis will be provided in 2020 and funded by an interfund loan authorized by the ordinance introduced as Council Bill 119773. Proceeds from the tax on corporate payroll will be used to repay this loan. Attachment 1 to this ordinance establishes the proposed spending plan for the first five years of the tax on corporate payroll. The spending plan may be amended from time to time by the City Council by ordinance.

A. Implementation and administrative costs. No more than five percent of the proceeds in the first year shall be used to fund one-time expenditures to implement and administer the tax on corporate payroll authorized by the ordinance introduced as Council Bill 119772 and to implement the investments in Housing and Services, Green New Deal housing-related strategies, ~~and cash~~immediate-assistance for low-income households impacted by the COVID-19 crisis, described in Section 2 of this ordinance. No more than three percent of the proceeds in subsequent years shall be used to fund the ongoing administrative functions to assess and collect the tax and administer the investments in Housing and Services, ~~and~~ Green New Deal housing-related strategies described in Section 2 of this ordinance.

B. ~~Immediate~~Cash assistance for low-income households impacted by COVID-19 crisis. In 2021, approximately \$205,000,000 shall be allocated to pay back the interfund loan authorized by the ordinance introduced as Council Bill 119773, used in 2020 to provide ~~cash~~ assistance to low-income households in Seattle in response to the economic impacts of the COVID-19 crisis. The economic impacts caused by COVID-19 include but are not limited to loss or reduction in income because of: illness; loss of employment; reduction in compensated hours of work; business or office closure; a need to miss work to care for a family member or child, where that care is uncompensated; or other similar loss of income due to the COVID-19 crisis. ~~These funds could shall serve up to 100,000 Seattle households with monthly payments of \$500 for four months.~~

1. Distribution. Up to \$200,000,000 shall be distributed to low-income households in Seattle in response to the economic impacts caused by COVID-19 to provide immediate and direct relief services and financial assistance that is equitably focused. The City shall partner with community based organizations (CBOs) who have a history of trust and success in reaching communities of color, LGBTQ+ communities, immigrant communities, seniors, populations who



~~are traditionally marginalized or typically face barriers to enrolling in assistance programs, such as, but not limited to, language barriers, and other historically marginalize communities. The cash assistance shall be distributed to the households described in subsections 2.B.1.a through 2.B.1.c of this ordinance in four monthly payments of \$500 each for a total of \$2000 per household over a four month period. This funding can be used to provide direct services or direct financial assistance as described in subsection 2.AB.1.a and 2.AB.1.b of this ordinance. The City shall work with the CBOs to determine eligibility requirements.~~

a. Direct relief services include programs designed to:

- i. Improve food access;
- ii. Provide rental or mortgage assistance;
- iii. Provide assistance with necessary bills, such as utility bills;
- iv. Assist with medical expenses;
- v. Assist with the purchase of diapers and baby formula and other child-

care expenses;

- vi. Assist survivors of domestic violence;
- vii. Provide case management;
- viii. Other direct relief services provided by CBOs to assist individuals

and families in meeting basic needs, including essential hygiene, and alleviate hardships.

~~Up to \$100,000,000 will be distributed first to low income households enrolled in existing City assistance programs, or State assistance programs administered by the City, that provide a direct financial benefit, including, but not limited to: the Utility Discount Program, Early Childhood Education and Assistance Program, Child Care Assistance Program, households that qualify for free tuition in the Seattle Preschool Program and Pathway to Seattle Preschool Program, and Fresh Bucks.~~

b. Direct financial assistance refers to legally allowable transfers of payments, such as pre-paid debit or credit cards or direct cash assistance, provided to low-income households to assist with basic living expenses. Up to \$100,000,000 will be distributed to low-income households economically impacted by the COVID-19 crisis but not enrolled in existing City assistance programs that provide a direct financial benefit (e.g. food vouchers, child care tuition assistance, utility discounts). The distribution should prioritize those who experience

~~structural or institutional barriers to accessing support from the government (e.g. language barriers, fear of deportation, experiencing homelessness, lack of a permanent address, experiencing domestic violence, seniors), and those who require assistance immediately (i.e. people who are recently unemployed or had their work hours severely reduced). The Executive shall establish eligibility criteria for distributing cash assistance to low-income households who are not receiving cash assistance through the process established in subsection 2.B.1.a but have been economically impacted by the COVID-19 crisis.~~

~~c. After distributing the first of the four payments to households described in subsections 2.B.1.a and 2.B.1.b of this ordinance, any remaining, unallocated funds may be distributed to either households enrolled in existing City assistance programs or to households identified in subsection 2.B.1.b.~~

2. For purposes of this ordinance, a low-income household means: (1) any household that is eligible for existing City assistance programs, or State assistance programs administered by the City; or (2) households not enrolled in such programs that have been impacted by the COVID-19 and such assistance is needed to help households meet their basic needs-erisis and meet eligibility criteria established by the Executive.

3. The Executive shall establish criteria and a process to distribute the cash assistance to households described in subsection 2.B.1.b of this ordinance and shall provide a written report or briefing to the City Council prior to distributing funds.

4. The Executive shall provide a monthly report to the City Council on the distribution of the cash assistance. The report shall include details on the spending to date, including information on the households receiving the cash assistance, and modifications made, if any, to the process or criteria used for distribution. The first report shall be due two weeks after the first payment is distributed.

**DRAFT Amendment 4 To Council Bill (CB) 119774  
 Modify Spending Categories to include the Equitable Development Initiative (EDI)**

**Select Budget Committee**

**Sponsor: Councilmember Morales**

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

**Description:** As introduced, the new tax revenue in 2021 would provide approximately \$205 million to repay the principal and interest owed on the interfund loan (to provide cash assistance to low-income households in 2020). After loan repayment in 2021, the annual funding would be distributed as follows after accounting for ongoing administrative costs:

- 75 percent to develop and acquire affordable social housing and to provide services for Permanent Supportive Housing (PSH) units.
- 25 percent to support implementation of select housing-related strategies identified in Seattle’s Green New Deal (GND) [Resolution 31895](#).

This amendment would modify the spending categories as follows:

- 70 percent for investments in social housing.
- 20 percent GND investments
- 10 percent to support EDI projects.

This change, combined with the change proposed under Amendment 5 that adjusts the income levels served by the proposed housing investments, would modify the estimated number of affordable housing units developed or acquired, and the number of housing units that could be converted to electric heat if the entirety of GND investments was used for that purpose, as follows:

	Housing Investments		GND Investments		EDI Investments**
	5-Year Investment	Estimate of Units Funded Years 1-5	5-Year Investment	Estimate of Units Converted Years 1-5	5-Year Investment
<b>Original Proposal estimates*</b>	\$1.94B	5,600 units	\$650M	39k units converted	\$0
<b>DRAFT Amendment 4 &amp; 5 estimates*</b>	\$1.81B	5,100 units	\$520M	31k units converted	\$260M

\*All numbers rounded to the nearest 10.

\*\*Some projects supported by the EDI funding include an affordable housing component.

*Note: If CB 119772 is amended to adjust the effective date of the tax, the numbers for both the original proposal and this amendment will be modified to reflect a slightly reduced estimate for the 2020 tax revenue.*

Amend the recitals to CB 119774 as follows:

\* \* \*

WHEREAS, the new tax on corporate payroll will generate significant funds to address identified inequities and to respond to the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, these additional funds will provide immediate financial relief and in the long-term will increase the construction and preservation of thousands of units of permanently affordable housing for low--and moderate-income households to address the housing affordability and homelessness crisis, will contribute to reducing Seattle's climate pollution, and will in the process support thousands of unionized, living-wage jobs, and in doing so will help the City make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

WHEREAS, Resolution 31577, adopted in May 2015, affirmed that The City of Seattle's core value of racial and social equity is one of the foundations on which the Comprehensive Plan is built, and defined "equitable development" as public and private investments, programs, and policies in neighborhoods to meet the needs of marginalized people and reduce disparities; and

WHEREAS, Ordinance 125173, passed in October 2016, amended the Seattle Comprehensive Plan to increase its emphasis on race and social equity, and affirm the conclusions of the Seattle 2035 Equity Analysis that was part of the City's overall analysis of the Plan; and

WHEREAS, Resolution 31711, adopted in September 2016, identified the Equitable Development Initiative as a key component of implementing Ordinance 125173 and approved the Equitable Development Implementation Plan and the Equitable Development Financial Investment Strategy to advance the public purposes of community stability, cohesion, and affordability; and

WHEREAS, the City's Equitable Development Initiative supports community driven projects that promote economic opportunities for marginalized populations and enhance community cultural anchors, affordable housing development, health services, child care services, and other community services that support the needs of diverse populations in areas at risk of displacement; and

WHEREAS, the Equitable Development Initiative receives annual funding of \$5 million from the short-term rental tax, but this funding is insufficient to support the number of current projects in development and additional future projects; and

WHEREAS, on March 18, 2019, the City Council adopted Resolution 31870, committing to taking future actions to mitigate displacement impacts on marginalized communities, including communities of color and low-income communities, particularly in neighborhoods identified as at high risk of displacement by the Growth and Equity Analysis. One action called for was to identify a permanent and consistent source of funding for the Equitable Development Initiative, beyond the \$5 million per year expected to be generated through the short-term rental tax, with a long-term goal of \$20 million annually; and

WHEREAS, the World Health Organization has announced novel coronavirus (COVID-19) is officially a global pandemic; and

\* \* \*

Amend Section 1 (findings) to CB 119774<sup>1</sup> as follows:

\* \* \*

M. The failure to make adequate provision for housing affordable to households with incomes at or below 100 percent of AMI can push many households to seek housing further away from work, which leads to increased greenhouse gas emissions from transportation, as well as congestion on the transportation infrastructure. Providing for more housing affordable to households with incomes at or below 100 percent of AMI in the City could result in commute trip reductions, less traffic for City residents and City employees, less City spending on transportation infrastructure, and a reduction in greenhouse gas emissions.

N. Spending on equitable development investments, including the community-identified and City-approved projects included in the Equitable Development Financial Investment Strategy, achieves a clear public purpose in advancing the City's core value of racial and social equity through fostering the development and improvement of physical and social assets serving

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<sup>1</sup>Proposed Amendment 1 modifies and reorders the findings in Section 1 to CB 119774. If Amendment 1 is adopted, the changes to findings reflected in this amendment will be reconciled with Amendment 1 prior to final action by the Council.

communities, economic development, education, and workforce training programs, and other public benefits.

NO. On March 3, 2020, the Mayor proclaimed that a civil emergency exists in the City of Seattle related to the COVID-19 virus.

OP. 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.

PQ. 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.

QR. 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.

RS. 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.”

ST. As of May 2, 2020, the Washington State Department of Health confirmed 15,003 cases of COVID-19 and 830 deaths caused by the virus in Washington State, with 6,351 confirmed cases and 457 deaths caused by the virus in King County.

TU. The COVID-19 crisis has had a significant impact on the local economy impacting the retail, restaurant, construction, gig economy, 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 and will have both immediate and long-term impacts.

UV. 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 785,000 individuals statewide and 40,000 individuals in King County, alone, have filed for unemployment insurance since March 7, 2020. 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.

~~W~~W. Federal and state assistance is inaccessible to many people with low-incomes, is being delayed for many others, and will not be sufficient to meet their basic needs during the COVID-19 public health and financial crisis. Additional and immediate financial support to people with low-incomes is necessary to help meet their basic needs and to help minimize impacts to public health as well as the local economy.

~~W~~X. The economic impacts from the COVID-19 emergency are drastic and immediate, but ~~are~~ also expected to last much longer than the civil shut-down emergency itself.

~~X~~Y. The spending plan is being tailored to address both immediate and long-term, basic human health and housing needs created by the multiple and overlapping crises, which include the long-running affordable housing and homelessness crisis, which has now been greatly exacerbated and complicated by the COVID-19 pandemic and related economic and unemployment crises, as well as the longer-term climate change crisis which nevertheless requires prompt and bold action now.

~~Y~~Z. Investments in affordable housing, ~~and~~ Seattle's Green New Deal, and the Equitable Development Initiative are necessary to help counteract the economic and health impacts caused by the COVID-19 crisis by creating jobs, taking actions to prevent displacement, and increasing the supply of long-term affordable housing and other needed community services -that will be ~~required~~needed by people who saw a significant reductions in income due to employment changes stemming from the crisis.

Amend Section 2 to CB 119774 as follows:

\* \* \*

A. Implementation and administrative costs. No more than five percent of the proceeds in the first year shall be used to fund one-time expenditures to implement and administer the tax on corporate payroll authorized by the ordinance introduced as Council Bill 119772 and to implement the investments in Housing and Services, Green New Deal housing-related strategies, and cash assistance for low-income households impacted by the COVID-19 crisis, and the Equitable Development Initiative (EDI), described in Section 2 of this ordinance. No more than



three percent of the proceeds in subsequent years shall be used to fund the ongoing administrative functions to assess and collect the tax and administer the investments in Housing and Services, ~~and~~ Green New Deal housing-related strategies, and Equitable Development Initiative described in Section 2 of this ordinance.

\* \* \*

C. Housing and services. Seventy~~-five~~ percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to develop and preserve permanently affordable social housing for households experiencing homelessness and those with incomes between zero and 100 percent of AMI as will be further defined in the implementation plan described in Section 4 of this ordinance. Newly constructed housing will be built consistent with the Seattle's Green New Deal strategies to equitably increase building energy efficiency and decrease use of fossil fuels in homes, as outlined in Resolution 31895. Such housing will be publicly owned or be publicly rent-controlled and regulated through appropriate legal agreements between the City and the housing providers. Such legal agreements shall specify the affordability requirements, including limiting annual rent increases for tenants to not more than the annual percentage increase in the housing component of the consumer price index for rent of primary residences for the Seattle area. The proceeds for housing and services may be used for:

\* \* \*

D. Green New Deal housing related strategies. Twenty~~-five~~ percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to investments in the following programs to implement the housing-related strategies called for in the Green New Deal. Investments shall be prioritized in communities historically most harmed by economic, racial, and environmental injustice.

\* \* \*

E. Equitable Development Initiative (EDI). Ten percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to the Equitable Development Initiative. Funding shall be used to support community-



initiated equitable development projects that advance economic mobility and opportunity, prevent residential, commercial, and cultural displacement, build on local cultural assets, promote transportation mobility and connectivity, develop healthy and safe neighborhoods, and enable equitable access to all neighborhoods. Funds shall be appropriated to the Office of Planning and Community Development and allocated through the EDI's existing established funding process for awarding EDI grants.

DRAFT

**DRAFT Amendment 5 To Council Bill (CB) 119774 to  
Modify income levels served by Social Housing Investments**

**Select Budget Committee**

**Sponsor:** Councilmember Morales

Amendatory language shown in [track changes](#) ~~track changes~~

**Description:** CB 119774 would allocate funding to develop and acquire affordable social housing and to provide services for Permanent Supportive Housing (PSH) units to serve households up to 100 percent of AMI. City Housing Funding Policies currently and historically have prioritized investments in rental housing production and preservation funds to assist households at or below 80 percent of AMI, with the majority of funds targeted to assist households at or below 30 percent of AMI. This policy is based on data that shows that households at or below 80 percent of AMI and lower have the greatest need for affordable housing .

This amendment would change the households served by the proposed social housing investments to at or below 80 percent of AMI, with the majority of funds serving households at or below 60 percent of AMI. Income levels served by these funds will be reviewed for potential modification after year five.

Amend the recitals to CB 119774 as follows:

\* \* \*

WHEREAS, the new tax on corporate payroll will generate significant funds to address identified inequities and to respond to the multiple and overlapping crises, including the affordable housing and homelessness crisis, the COVID-19 pandemic and related economic and unemployment crisis, and the climate change crisis; and

WHEREAS, these additional funds will provide immediate financial relief and in the long-term will increase the construction and preservation of thousands of units of permanently affordable housing for low-~~and moderate~~ income households to address the housing affordability and homelessness crisis, will contribute to reducing Seattle's climate pollution, and will in the process support thousands of unionized, living-wage jobs, and in doing so will help the City make the necessary changes to shift Seattle's economy to be more equitable and ecologically sustainable; and

\* \* \*

Amend Section 1<sup>1</sup> to CB 119774 as follows:

\* \* \*

Section 1. Findings. The City Council finds that:

A. Supporting the development and preservation of stable and permanently affordable housing for people experiencing homelessness and also for low-~~and middle~~-income households with incomes up to ~~100~~80 percent of the area median income (AMI) is a fundamental governmental purpose and will result in numerous benefits to the City as described below.

B. Data from the 2012-2016 American Community Survey (ACS) shows that: over ~~605~~,000 households in Seattle with incomes at or below ~~8100~~ percent of AMI are cost burdened, paying more than 30 percent of their income for rent and utilities; and 29,000 households with incomes at or below 50 percent of area AMI are severely cost burdened, paying over 50 percent of their income for rent and utilities, and, as a result, are at potential risk of homelessness.

\* \* \*

F. It will benefit the City if public employees and other ~~middle-income and~~ low-income employees are able to find affordable housing in the communities where they work.

G. Stable and permanently affordable housing for low-income ~~and middle-income~~ residents is expected to result in stronger educational outcomes for children and better health outcomes for families.

\* \* \*

M. The failure to make adequate provision for housing affordable to households with incomes at or below ~~8100~~ percent of AMI can push many households to seek housing further away from work, which leads to increased greenhouse gas emissions from transportation, as well as congestion on the transportation infrastructure. Providing for more housing affordable to households with incomes at or below ~~8100~~ percent of AMI in the City could result in commute trip reductions, less traffic for City residents and City employees, less City spending on transportation infrastructure, and a reduction in greenhouse gas emissions.

\* \* \*

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<sup>1</sup> Proposed Amendment 1 modifies and reorders the findings in Section 1 to CB 119774. If Amendment 1 is adopted, the changes to findings reflected in this amendment will be reconciled with Amendment 1 prior to final action by the Council.

Amend Section 2, subsection C, to CB 119774 as follows:

C. Housing and services. Seventy-~~five~~ percent of the proceeds remaining after funding implementation and administration costs in subsection 2.A of this ordinance, and after funding payment of the interfund loan described in subsection 2.B of this ordinance, shall be allocated to develop and preserve permanently affordable social housing for households experiencing homelessness and those with incomes between zero and ~~84~~60 percent of AMI as will be further defined in the implementation plan described in Section 4 of this ordinance. Newly constructed housing will be built consistent with the Seattle's Green New Deal strategies to equitably increase building energy efficiency and decrease use of fossil fuels in homes, as outlined in Resolution 31895. Such housing will be publicly owned or be publicly rent-controlled and regulated through appropriate legal agreements between the City and the housing providers. Such legal agreements shall specify the affordability requirements, including limiting annual rent increases for tenants to not more than the annual percentage increase in the housing component of the consumer price index for rent of primary residences for the Seattle area. The proceeds for housing and services may be used for:

1. Developing and preserving permanently affordable rental housing for households with incomes between zero and ~~84~~60 percent of AMI. Investments in affordable rental housing serving households with incomes between zero and 60 percent of AMI shall be prioritized. Such housing may be mixed-income and may also include, and funds may be used to provide, related and needed community services and spaces such as affordable childcare, community gathering spaces, and open space;
2. Funding to support the ongoing operations and services for permanent supportive housing units, including an array of comprehensive services such as counseling and treatment, disability support, skills training, job search assistance, and other services needed to maintain housing stability; and
3. Acquiring existing affordable housing, particularly in areas at high risk for displacement of existing low-income and moderate-income households.

**DRAFT Amendment 6 To Council Bill (CB) 119774 to establish a date for submittal of the implementation plan and modify the process**

**Select Budget Committee**

**Sponsor:** Councilmember Morales

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

**Description:** CB 119774 as introduced requires the Executive to develop an Implementation Plan consistent with the legislation authorizing spending of the proposed payroll tax. The legislation does not establish a firm timeline for submittal of this plan. This amendment would require the Executive to submit the plan for years 2022-2025 by February 1, 2021.

In addition, it states the intent that the City Council will adopt the spending for 2021 as part of the annual 2021 budget adoption process. The Executive is requested to develop the proposed spending for 2021 and include this as part of the Proposed 2021 budget. The Executive is requested to seek input from stakeholders in development of the 2021 spending.

Amend Section 4 as follows:

\* \* \*

Section 5. Implementation plan. On or before February 1, 2021~~DATE~~, the Executive shall submit an Implementation Plan for the new tax on corporate payroll to the City Council. The Plan may be amended by ordinance. The plan shall include:

A. A specific spending proposal for the Housing and Services and Green New Deal investments in years one through five~~2022 through 2025~~ consistent with the program areas described in subsections 2.C and 2.D of this ordinance;

B. Proposed outcomes for each funded program or service;

C. How the programs or services will be implemented (such as responsible department and funding processes);

D. Proposed policies for implementing funded programs or services, prioritizing investments in communities historically most harmed by economic, racial, and environmental injustice, at high risk of displacement; and

E. Proposal for working with the Social Housing Board and the Green New Deal Oversight Board to provide ongoing program and policy review, oversight and monitoring of expenditures, and reviewing performance of programs and services as the plan is implemented.

The City Council intends to adopt modifications to the City's Housing Funding Policies to have such policies apply to the revenues generated from the new tax on corporate payroll. This shall include changes to reflect annual reporting requirements for investments made using the proceeds from the tax on corporate payroll. The Council anticipates adopting such modifications when adopting the Implementation Plan in ~~2020~~2021.

The Executive shall work with the City Council, the Social Housing Board, and the Green New Deal Oversight Board in the development of this Implementation Plan to ensure it is consistent with the proposed Spending Plan. The City Council intends to add a proviso to funding in the 2021 budget to ensure funding is appropriated consistent with the proposed Spending Plan found in Attachment 1 to this ordinance, as may be amended by the City Council.

Spending in 2021 shall be determined through the Council's adoption of the 2021 annual budget. The Executive's 2021 Proposed Budget should be informed by input from community stakeholders who are representative of the proposed membership of the Social Housing Oversight Board described in Seattle Municipal Code subsection 3.14.750.B and the Green New Deal Oversight Board described in Seattle Municipal Code subsection 3.14.979.C.



Legislation Text

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**File #:** Inf 1649, **Version:** 1

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Inquest on Seattle Police Department (SPD) Budget



SEATTLE CITY COUNCIL  
**CENTRAL STAFF**

# Seattle Police Department Budget Overview

## 2020 Adopted Budget

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GREG DOSS, COUNCIL CENTRAL STAFF

SELECT BUDGET COMMITTEE | JUNE 10, 2020



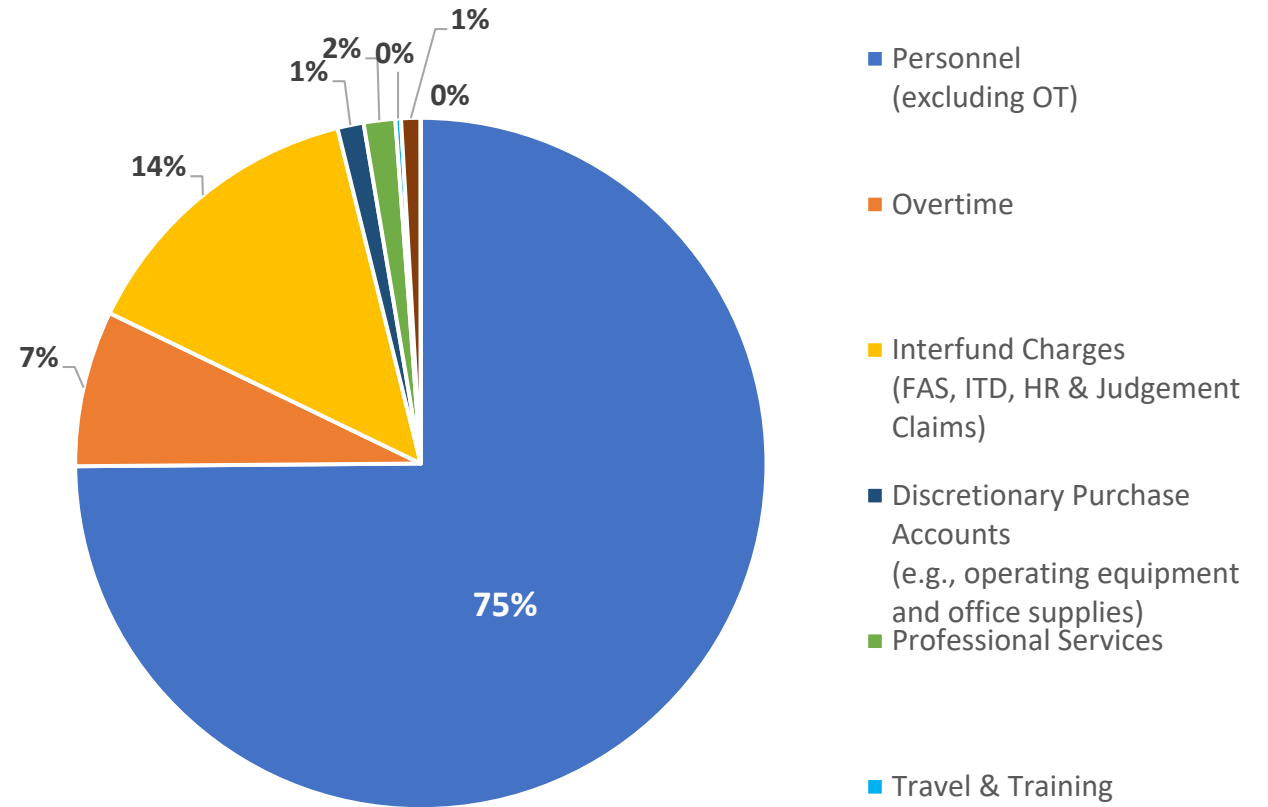
# 2020 Adopted Budget: At a Glance

Expenditure Category	2020 Adopted Budget*	% of 2020 Adopted Budget
<b>Personnel</b> (excl OT, incl Temp funding of \$326,332)	\$306,314,712	74.9%
Overtime	\$29,827,288	7.3%
<b>Interfund Charges</b> (FAS, ITD, HR & Judgement Claims)	\$57,104,148	14.0%
Discretionary Purchase Accounts (e.g., operating equipment and office supplies)	\$5,006,272	1.2%
<b>Professional Services</b>	\$6,033,932	1.5%
<b>Travel &amp; Training</b>	\$1,080,000	0.3%
<b>Other Costs (OC) Accounts</b> (e.g., fuel, utilities, etc.)	\$3,721,947	0.9%
<b>Capital</b>	\$23,451	0.0%
<b>Total</b>	<b>\$409,111,750</b>	<b>100.0%</b>

All Personnel - including OT	\$336,142,000	82%
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- Personnel (including OT) plus interfund charges represents 96% of the 2020 Adopted Budget
- Discretionary accounts (monthly purchase report) represents 1% of the 2020 Adopted Budget

\*Includes the General Fund (00100) and School Safety Traffic and Pedestrian Improvement Fund (18500)



# Personnel Costs – Sworn vs. Civilian

Salaries & Benefits	Sworn (est.)	Civilian (est.)	Total
<b>FTE Count – authorized &amp; funded</b>	<b>1,424<sub>(1)</sub></b>	<b>590</b>	<b>2,014</b>
<b>Percent</b>	<b>71%</b>	<b>29%</b>	<b>100%</b>
<b>2020 Adopted PS Budget (excl OT and TEMP)</b>	<b>\$234,892,416</b>	<b>\$71,095,964</b>	<b>\$305,988,380<sub>(2)</sub></b>
<b>Percent</b>	<b>77%</b>	<b>23%</b>	<b>100%</b>
<p><i>(1) Sworn budget includes SPOG AWI Over appropriation (\$3M); the FTE counts above exclude grant positions, exclude unfunded positions (e.g., Police Recruits and Student Officers) and positions that were defunded in the 2020 Adopted Budget. Without excluding unfunded positions, sworn count is 1,497. (2) Does not include temp funding of \$326,332.</i></p>			

## Department Overview (GF, non-grant, special fund) - 2020 Adopted Budget

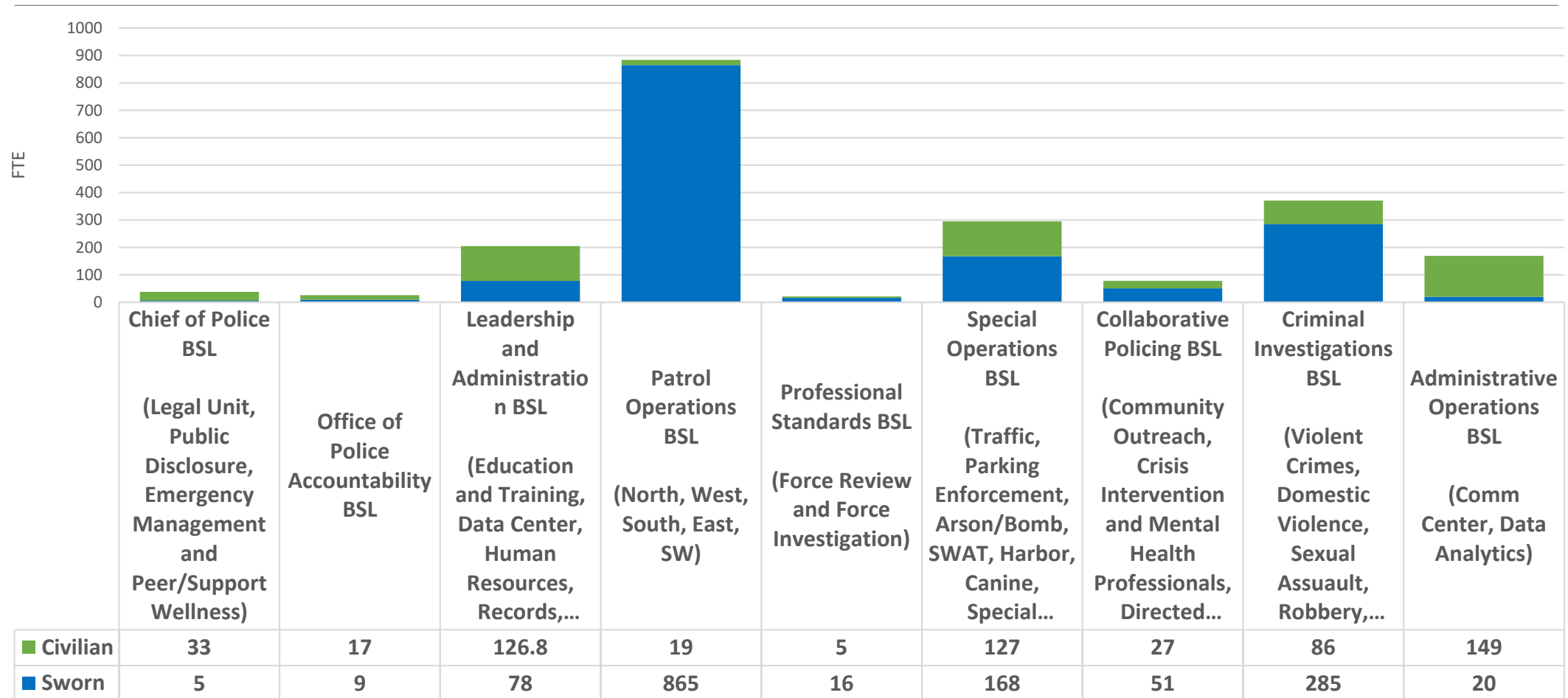
*Note: The accounting system does not provide a way to divide the budget for sworn versus civilian employees. The numbers above are budget estimates based on several variables including average employee costs, current ratio of authorized and funded sworn and civilian staff and known appropriations (e.g., SPOG AWI).*

# Top Ten Job Titles

Job Title	Authorized / Funded FTE	Salary/Benefits Budget (est.)	Average Cost Per EE (est.)
Police Officer-Patrol	668	\$100,721,040	\$150,780
Police Officer-Detective	168	\$26,050,634	\$155,063
Police Sergeant-Patrol	107	\$19,050,813	\$178,045
Parking Enforcement Officer	106	\$10,266,088	\$96,850
Police Communications Dispatcher I	60	\$6,064,404	\$101,073
Police Lieutenant	54	\$11,003,957	\$203,777
Police Sergeant-Detective	45	\$7,913,238	\$175,850
Administrative Specialist II-BU	42	\$3,895,199	\$92,743
Police Communications Dispatcher II	38	\$4,302,029	\$113,211
Police Officer-Motorcycle	27	\$4,200,708	\$155,582
<b>Total</b>	<b>1,315</b>	<b>\$193,468,110</b>	

*\*The FTE counts above exclude grant positions, unfunded positions (e.g., Police Recruits and Student Officers) and positions that were defunded in the 2020 Adopted Budget.*

# Authorized Sworn/Civilian FTEs by Budget Support Level



*\*The FTE counts show all authorized, General Fund positions, including the sworn positions that were defunded in the 2020 Adopted Budget.*

# Allocation of Sworn Positions (Aug. 2019)

Total Patrol 48.7% of Sworn Force

Sworn Position	% of Sworn
911 Responders	34.3%
Other Precinct-Based Patrol Officers	7.7%
Sergeants Supervising Patrol	6.7%
Non-Patrol Personnel:	
Investigative Units	17.2%
Specialty Units	10.0%
Operations Support	12.0%
Leadership	6.7%
Administrative	5.4%
<b>Total Sworn</b>	<b>100.0%</b>

# Precinct Staffing Report (April 2020)

Job Categories	EAST PCT		NORTH PCT		SOUTH PCT		SOUTHWEST PCT		WEST PCT		Total
	Sergeant	Officer	Sergeant	Officer	Sergeant	Officer	Sergeant	Officer	Sergeant	Officer	
<b>911</b>	12	82	22	133	14	101	8	63	14	114	563
<b>ACT</b>	1	5	1	5	1	5	1	6	1	4	30
<b>Beats</b>	2	8	1	5			1	4	5	29	55
<b>CPT</b>	1	5	1	9	1	3		3	1	7	31
<b>Precinct Support</b>						1					1
<b>Seattle Center</b>									1	2	3
<b>Stationmaster</b>								1		1	2
<b>Total</b>	<b>16</b>	<b>100</b>	<b>25</b>	<b>152</b>	<b>16</b>	<b>110</b>	<b>10</b>	<b>77</b>	<b>22</b>	<b>157</b>	<b>685</b>

The report includes the following:

Personnel who are unavailable due to vacation, training, limited duty, or short-term illness or injury, which is addressed by shift relief analysis; Half time officers; Officers in acting sergeant assignments (counted as sergeants); and Phase III student officers, who have completed all officer training yet remain in probationary status.

The report excludes the following:

Phase I (recruits) and Phase II student officers; Precinct detectives; and Personnel who are on extended sick leave or activated military leave.

# 911 Response & Service Call Data (Aug 2019)

Proactive Call Event Count & Event In-Service Hours		
Year	Call Count	Service Hours
2016	112,305	119,684
2017	140,009	144,797
2018	138,443	150,517
2019	104,255	108,062

Emergency Call Response Time		
Year	Median Response Time	Average Response Time
2016	6.34	9.27
2017	6.19	8.87
2018	6.34	9.03
2019	6.05	8.77

# 2020 Overtime Budget

Bureau and Other (GF and SSTPI )	Total
Chief of Police Bureau	\$405,699
Patrol Operations Bureau	\$3,513,797
Criminal Investigations Bureau	\$3,473,273
Special Operations Bureau	\$1,667,185
Chief Operating Officer	\$2,429,216
Professional Standards Bureau	\$3,790,065
Collaborative Policing Bureau	\$830,676
Court	\$234,408
Events	\$6,802,110
Events - Seattle Center	\$307,152
Sports	\$3,399,875
Unusual Occurrences	\$63,931
Emphasis Patrols	\$2,248,000
School Activities	\$93,095
Executive Security	\$392,796
Late Night Rec	\$176,010
<b>Total</b>	<b>\$29,827,288</b>

Overtime	Civilian (est.)	Sworn (est.)	Total
Percent*	12%	88%	100%
2020 Adopted OT Budget	\$3,579,275	\$26,248,013	\$29,827,288
<i>*Based on 2-year average percent of total expenditures</i>			

## Department Overview (GF, non-grant, special fund) - 2020 Adopted Budget

*Note: The accounting system does not provide a way to divide the budget for sworn versus civilian employees. The numbers above are budget estimates based on several variables including average employee costs, current ratio of authorized and funded sworn and civilian staff and known appropriations (e.g., SPOG AWI).*



# Demonstration Equipment Costs

Equipment Costs	Unit Cost	Total Cost (10.1% Tax)	2020 Cost (est.)*
<b>Officer Equipment Kit</b>			
Knee/Shin/Foot Protector	\$38.00	\$41.84	\$3,305.20
Forearm Protector	\$22.99	\$25.31	\$1,999.65
Chest Protector	\$85.00	\$93.59	\$7,393.22
Padded Gloves	\$19.50	\$21.47	\$1,696.09
Baton	\$71.12	\$78.30	\$6,185.95
Kevlar Helmet	\$531.02	\$584.65	\$46,187.59
Eye Protection	\$8.00	\$8.81	\$695.83
Hearing Protection (disposable)	\$0.17	\$0.18	\$14.35
<b>Subtotal</b>	<b>\$775.80</b>	<b>\$854.15</b>	<b>\$67,477.87</b>
<b>Multi-Purpose Gear</b>			
Uniform Pants	\$27.50	\$30.28	\$2,391.92
Uniform Shirts	\$35.00	\$38.54	\$3,044.27
<b>Subtotal</b>	<b>\$62.50</b>	<b>\$68.81</b>	<b>\$5,436.19</b>
*Based on total number of rehires plus recruits graduating in 2020 (79)			
<i>Note: The shields used in the recent protests were part of the department's existing inventory. A search of SPD financial records back to 2012 yielded no results. This equipment is not a normal purchase item and not distributed on a per officer basis.</i>			



# Crowd Control

	2017	2018	2019
Other Less-than-Lethal Weapons	\$5,834	\$55,469	\$19,063
Tear Gas/Pepper Spray/Chemical Agents	\$17,737	\$1,060	\$9,810
Flash Bangs	\$3,967		\$2,299
<b>Total</b>	<b>\$27,538</b>	<b>\$56,529</b>	<b>\$31,172</b>



- SPD created an activity code to capture demonstration expenses and will have more information on demonstration expenses when the payroll cycle has concluded.
- SPD’s less-lethal inventory has included: white smoke rescue grenades, noise flash distraction devices, ARWEN launchers, less lethal launchers, blast balls (inert and OC), blue nose sponge munitions and gas rounds. These items are replaced using operating funds only as they expire or are used (single-use items).
- The purchase slide shows the allocation by unit for these types of expenses along with office supplies and other equipment (e.g., SWAT, under Special Operations). If the department did not purchase less-lethal equipment, the City would save approximately \$40,000 per year based on a three-year average. SPD is working to develop a current inventory list of remaining crowd control devices, which will follow at a later date.

# Allocations: Interfund Billing

Item	2020 Adopted Budget	% of 2020 Adopted Budget
FAS Allocation	\$12,507,474	22%
FAS Fleets Maintenance	\$3,854,389	7%
FAS Fleets Fuel	\$1,907,372	3%
FAS Fleets	\$4,978,773	9%
ITD Allocation	\$26,630,979	47%
ITD Billed	\$1,097,472	2%
HR Allocation	\$3,064,457	5%
Claims - Injury & Damage	\$3,063,232	5%
<b>Total</b>	<b>\$57,104,148</b>	<b>100%</b>

# Allocations: Professional Services

Item	2020 Adopted Budget	% of 2020 Adopted Budget
Photo Enforcement - ATS	\$3,297,239	55%
Sworn Hiring in HR	\$538,987	9%
Recruitment & Retention	\$708,573	12%
Crisis Intervention (Mental Health Providers)	\$447,822	7%
Community Outreach - Contract w/ Indigenous-led organization	\$87,500	1%
Community Outreach - Other	\$43,384	1%
Implicit Bias Training for Officers	\$100,000	2%
Investigative Funds	\$281,762	5%
Office of Police Accountability	\$109,303	2%
AFIS	\$56,211	1%
Vet Services - Canine & Mounted Patrols	\$56,553	1%
Communications	\$67,423	1%
Subtotal	\$5,794,757	
Adopted Budget	\$6,033,932	
<b>Balance</b>	<b>\$239,175</b>	<b>4%</b>

# Allocations: Travel/Training

Bureau	2020 Allocation
Chief of Police	\$150,000
Emergency Management	\$2,000
Office of Police Accountability	\$68,532
Chief Operating Officer	\$108,968
Administrative Services	\$5,500
Communications	\$27,000
Human Resources	\$50,000
Patrol Operations	\$71,000
Professional Standards	\$85,000
Special Operations	\$74,000
Collaborative Policing	\$210,000
Criminal Investigations	\$228,000
<b>Total</b>	<b>\$1,080,000</b>

# Allocations: Purchases

## 2020 Discretionary Purchase Allocations for Equipment and Supplies – 01/17/20

Org Grouping	2020 Allocation
Chief of Police	\$103,073
Chief Legal Officer	\$19,621
Office of Police Accountability	\$12,976
Emergency Management Operations	\$166,785
<b>Sub-total</b>	<b>\$302,455</b>
Chief Operating Officer	\$601,473
Administrative Services	\$777,153
Data Driven Policing	\$12,285
Communications	\$304,573
Information Technology	\$247,421
Human Resources	\$272,969
<b>Sub-total</b>	<b>\$2,215,874</b>
Collaborative Policing Administration	\$80,000
Community Outreach	\$134,243
Directed Outreach/Navigation Team	\$12,200
Executive Security	\$6,806
Crisis Intervention Response Team	\$5,000
<b>Sub-total</b>	<b>\$238,249</b>

Org Grouping	2020 Allocation
Professional Standards	\$430,800
Force Investigation Team	\$11,462
Use of Force Review Board	\$5,000
Audit, Policy & Research Section	\$5,000
Education & Training	\$156,854
<b>Sub-total</b>	<b>\$609,116</b>
Criminal Investigations Administration	\$80,000
Criminal Intelligence	\$107,539
Forensic Support Services/AFIS Grant	\$122,473
Evidence	\$13,225
Identification (ID) Administration	\$103,280
Vice High Risk ICAC	\$27,348
Violent Crimes	\$62,923
Narcotics	\$242,178
Coordinated Criminal Investigations	\$24,945
Special Victims	\$21,030
<b>Sub-total</b>	<b>\$804,941</b>

Org Grouping	2020 Allocation
Patrol Operations Administration	\$100,000
West Precinct	\$57,441
North Precinct	\$58,363
South Precinct	\$46,124
East Precinct	\$55,782
Southwest Precinct	\$33,409
<b>Sub-total</b>	<b>\$351,119</b>
Special Operations Administration	\$80,000
SPOC	\$130,073
Arson/Bomb Squad	\$9,077
SWAT	\$119,330
Canine	\$13,198
Harbor	\$30,677
Traffic Enforcement	\$49,438
Parking Enforcement	\$52,725
<b>Sub-total</b>	<b>\$484,518</b>

<b>Total</b>	<b>\$5,006,272</b>
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# 2020 Adopted Budget: \$7.2M in Policy Changes

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- Recruitment and Retention Initiatives \$1.28 million - 1.00 FTE
- Implicit Bias Training for SPD Officers \$100,000
- Sworn Officer Hiring Incentive \$813,750
- Emphasis Patrols and Force Augmentation \$847,863
- Expand the Community Service Officer Program \$1.21 million - 6.00 FTE
- Add Native American Liaison \$48,000 - 1.00 FTE
- Civilian Investigator in the Office of Police Accountability \$148,832 - 1.00 FTE

# 2020 Adopted Budget: \$7.2M in Policy Changes, cont.

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- Earthquake Early Warning (\$10,000)
- School Zone Camera Expansion \$170,908
- CAD Replacement \$2.68 million
- Reallocate SPD funding to youth diversion, community building, and education programs (\$222,600)
- Renter Organizing and Outreach Expenditures; Reduction to SPD and SDOT (\$35,000)
- Add funding for addressing the Missing and Murdered Indigenous Women and Girls Crisis \$87,500
- Add funding to OPA for outside legal counsel \$80,000



# SPD 2020 Adopted Budget by Bureau & Section (1/3)

Bureau	Unit	2020 Adopted Budget	Authorized FTE*
<b>BO-SP-P1000 - Chief of Police</b>	SPCLO - Chief Legal Officer Total	\$1,735,456	15
	SPCOP - Chief of Police Total	\$4,577,730	7
	SPDCH - Deputy Chief Administration Total	\$844,657	5
	SPOEM - Emergency Management Oper Total	\$3,110,533	14
<b>BO-SP-P1300 - Office of Police Account</b>	SPOPA - OPA Total	\$4,693,942	26
<b>BO-SP-P1600 - Leadership and Administration</b>	SPAPR - Audit, Policy and Research Total	\$2,367,885	11
	SPASA - Administrative Services Total	\$5,968,955	19
	SPBFO - Budget & Finance Total	\$1,877,400	12
	SPCOO - Chief Operating Officer Total	\$5,897,721	9
	SPDCA - Data Center Administration Total	\$4,267,796	42
	SPEdT - Education & Training Section Total	\$13,027,973	97
	SPGCO - Grants & Contracts Total	\$475,009	5
	SPHRM - Human Resources Total	\$9,038,406	57
	SPITS - Information Technology Total	\$704,399	0
	SPREC - Records Administration Total	\$2,720,774	25
	SPCITY - Citywide Indirect Costs Total	\$23,679,789	0
<b>BO-SP-P1800 - Patrol Operations</b>	SPPAT - Patrol Operations Total	\$10,937,642	45
	SPPWEST - West Precinct Total	\$31,577,797	202
	SPPNORTH - North Precinct Total	\$36,378,872	211
	SPPSOUTH - South Precinct Total	\$23,730,239	154
	SPPEAST - East Precinct Total	\$25,378,458	150
	SPPSW - Southwest Precinct Total	\$19,823,685	132

# SPD 2020 Adopted Budget by Bureau & Section (2/3)

Bureau	Unit	2020 Adopted Budget	Authorized FTE*
<b>BO-SP-P2000 - Compliance and Professional St</b>	SPCPS - Professional Standards Bureau Total	\$981,102	3
	SPFIT - Force Investigation Team Total	\$2,309,386	11
	SPUFR - Use of Force Review Board Total	\$1,320,214	7
<b>BO-SP-P3400 - Special Operations</b>	SPABS - Arson/Bomb Squad Total	\$1,781,130	10
	SPCBR - CBRNE Total	\$282,253	3
	SPEMC - Enforcement-Motorcycle Total	\$5,225,191	28
	SPHAR - Harbor Total	\$5,397,370	30
	SPHSM - Homeland Security Total	\$13,328,163	13
	SPK9U - Canine Total	\$3,126,660	16
	SPPEO - Enforcement-Parking Total	\$13,578,596	120
	SPSOA - Special Operations Total	\$704,331	2
	SPSWA - SWAT Total	\$5,538,068	29
	SPTEA - Traffic Section Administration Total	\$690,378	3
	SPTRF - Enforcement-Traffic Total	\$7,983,818	42
<b>BO-SP-P4000 - Collaborative Policing</b>	SPCIR - Crisis Intervention Response Total	\$1,776,799	13
	SPCLBP - Collaborative Policing Adminis Total	\$590,138	2
	SPCOA - Community Outreach Admin Total	\$4,267,944	29
	SPCSO - Community Service Officers Total	\$2,878,969	18
	SPMSE - Mayor's Security Total	\$1,010,032	7
	SPNAV - Navigation Team Total	\$2,607,938	15

# SPD 2020 Adopted Budget by Bureau & Section (3/3)

Bureau	Unit	2020 Adopted Budget	Authorized FTE*
<b>BO-SP-P7000 - Criminal Investigations</b>	SPCCI - Vice Administration Total	\$6,112,668	32
	SPCIA - Criminal Investigations Total	\$5,954,217	53
	SPCIN - Criminal Intelligence Total	\$3,802,772	30
	SPEVI - Evidence Total	\$2,342,983	18
	SPFSS - Forensic Support Services/AFIS Total	\$4,956,853	32
	SPIDS - ID Admin Total	\$2,265,154	16
	SPNAR - Narcotics Administration Total	\$6,606,225	36
	SPSVI - Special Victims Investigation Total	\$9,157,213	58
	SPVCA - Violent Crimes Administration Total	\$14,399,813	76
	SPVHR - Vice & High-Risk Victims Total	\$4,097,763	16
<b>BO-SP-P8000 - Administrative Operations</b>	SPCOM - Communications Total	\$36,113,404	152
	SPDDP - Data Driven Policing Total	\$2,977,302	18
<b>BO-SP-P9000 - School Zone Camera Program</b>	SPSCHOOLZONE - School Zone Camera Program Total	\$2,131,785	0
<b>Total</b>		<b>\$409,111,750</b>	<b>2175.25</b>
*Note that Authorized FTE count includes all <i>authorized</i> positions regardless of funding. Some positions are unfunded.			

Questions?  
Additional Research?