



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Wednesday, May 4, 2022

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
Alex Pedersen, Member
Sara Nelson, Member
Andrew J. Lewis, Member

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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<http://seattle.gov/cityclerk/accommodations>.



SEATTLE CITY COUNCIL
Finance and Housing Committee
Agenda
May 4, 2022 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

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.

Pursuant to Washington State Governor's Proclamation No. 20-28.15 and Senate Concurrent Resolution 8402, this public meeting will be held remotely. Meeting participation is limited to access by the telephone number provided on the meeting agenda, and the meeting is accessible via telephone and Seattle Channel online.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.m. 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 Councilmember Mosqueda at Teresa.Mosqueda@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 253-215-8782 Meeting ID: 586 416 9164

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Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120318](#) **AN ORDINANCE** relating to appropriations for the Executive Department; amending Ordinance 126490, which adopted the 2022 Budget; changing appropriations and creating new positions in the Office of Housing; all by a 3/4 vote of the City Council.

Supporting Documents:

[Summary and Fiscal Note](#)
[Office of Housing Memo](#)

Briefing, Discussion, and Possible Vote

Presenters: Maiko Winkler-Chin, Acting Director, Office of Housing; Traci Ratzliff, Council Central Staff

2. **Seattle Rescue Plan: Quarterly Update on Seattle American Rescue Plan Act Spending**

Supporting Documents:

[Presentation](#)

Briefing and Discussion

Presenters: Julie Dingley, Director, and William Chen, City Budget Office; Tanya Kim, Acting Director, and Joseph Kasperski, Human Services Department; Aly Pennucci and Tom Mikesell, Council Central Staff

3. **General Fund Financial Planning**

Supporting Documents: [Presentation](#)
[Central Staff Memo](#)

Briefing and Discussion

Presenters: Julie Dingley, Director, City Budget Office; Aly Pennucci and Tom Mikesell, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120318, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to appropriations for the Executive Department; amending Ordinance 126490, which adopted the 2022 Budget; changing appropriations and creating new positions in the Office of Housing; all by a 3/4 vote of the City Council.

WHEREAS, the Mayor and City Council are committed to ensuring everyone in Seattle has access to safe, stable, and affordable homes; and

WHEREAS, affordable housing helps to address The City of Seattle’s long history of displacement and segregation caused by government-supported colonialism, racial covenants, and redlining leading to the restriction of where Black, Indigenous and other people of color (BIPOC) may live and purchase homes and disparities in access to affordable homes, as well as education, living-wage employment, healthy environment, and transportation; and

WHEREAS, 22,850 renters earning less than 30 percent of Area Median Income and 6,535 renters earning between 30 percent and 50 percent of Area Median Income are severely cost-burdened, paying more than 50 percent of their income for rent in Seattle. An additional 17,000 renters earning up to 50 percent of Area Median Income in Seattle are moderately cost-burdened, paying 30 to 50 percent of their income for rent; and

WHEREAS, there is an estimated shortage of 26,620 rental units affordable and available to renter households at or below 30 percent of Area Median Income and the King County Regional Affordable Housing Task Force found that 156,000 affordable homes were needed immediately, and another 88,000 homes by 2040, to ensure that no low-income households were cost-burdened in the region; and

WHEREAS, in King County 40,800 people experienced homelessness at some point in 2019 and 45,300 people experienced homelessness at some point in 2020 and were living in unsafe conditions outside and in shelters in our region, and affordable housing and permanent supportive housing provide an end to homelessness; and

WHEREAS, to respond for the critical need for affordable homes, City investments in affordable housing development, preservation, and acquisition managed by the Office of Housing have quadrupled from the 2014 to the 2022 Budget, creating higher transactional volume, new policy and programmatic initiatives, and increased requests for data and information; and

WHEREAS, \$100 million dollars of the Office of Housing's total \$208 million 2022 Adopted Budget is supported by Jumpstart Payroll Expense Tax Fund revenue and this is an on-going source of funds; and

WHEREAS, the increased investment in affordable homes results in additional pre-development work to identify opportunities to build and acquire affordable homes and create a pipeline of projects, increased real estate transactions to build, preserve, and acquire new affordable multifamily homes, and permanently affordable homeownership and monitoring of construction activity; and

WHEREAS, permanently affordable homeownership is essential to ensure low-income and BIPOC community members have opportunities to own homes, build wealth, and prevent displacement; and

WHEREAS, provision of technical support and capacity building is necessary to ensure development by and ownership of multifamily affordable homes for-rent and permanently affordable for-sale homes by BIPOC-led and community-based organizations; and

WHEREAS, compliance monitoring and asset management is critical to ensure rent and income restrictions and health and safety standards are met for over 15,500 affordable homes directly funded with City resources and over 6,500 homes created through incentive programs; and

WHEREAS, The City of Seattle has a goal to become a carbon-neutral city by 2050 to address the climate crisis and the greatest and most harmful impacts of climate change are falling disproportionately on

lower-income communities and communities of color globally; however, these communities have contributed the least to the cumulative global emissions that are causing climate change and are least equipped to adapt to the impacts; and

WHEREAS, focus on the critical need to create affordable housing and higher investment levels results in increased requests for information, public disclosure, analysis, and data from elected officials, peer agencies, media, and community members, and staff capacity is necessary to develop data systems, provide publicly available information and visualizations, and timely responses to requests; and

WHEREAS, in 2009 The City of Seattle established the Race and Social Justice Initiative (RSJI) through Resolution 31164, affirming the City's race and social justice work and directing City departments to use available tools to assist in the elimination of racial and social disparities across key indicators of success, including health, education, criminal justice, the environment, employment, and the economy, and to promote equity within the City workplace and in the delivery of City services; and

WHEREAS, RSJI and staff time to perform RSJI-related training, toolkit development and monitoring, and Change Team participation was explicitly included in each Office of Housing job description; and

WHEREAS, increased funding, staffing, and policy and programming development leads to an increased need for administrative support to perform basic office management functions; and

WHEREAS, increased development of affordable homes increases the need for wage monitoring to ensure an equitable residential construction workforce and to monitor utilization of apprenticeships, women- and minority-owned businesses (WMBEs), and priority hire in affordable housing development; and

WHEREAS, increased funding results in additional real estate transactions and documents requiring legal review and advice; and

WHEREAS, since 1981 Seattle voters have approved one bond and five property tax levies to create affordable housing, and the Seattle Housing Levy is a nationally recognized local financing tool and the cornerstone of affordable housing creation for the Office of Housing; and

WHEREAS, the 2016 Seattle Housing Levy is on track to meet or exceed goals; and

WHEREAS, the Seattle Housing Levy is up for voter consideration in 2023 and dedicated staffing capacity and resources are necessary to convene stakeholders, community members, and technical advisors to inform programming and provide subject matter expertise, produce reports and materials to communicate, with equitable language access, achievement of goals and continued need, draft legislation, and provide modeling for affordable housing production goals under various funding scenarios; and

WHEREAS, the Office of Housing needs additional staff to support the City’s efforts to acquire, build, preserve, and maintain affordable housing; and

WHEREAS, the Jumpstart Payroll Expense Tax Fund provides administrative dollars that will be used to cover the on-going staff and related administrative costs; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The following new positions are created in the Office of Housing:

Department	Position Title	Position Status	Number
Office of Housing	Admin Staff Analyst	Full-time	1
Office of Housing	Community Development Specialist	Full-time	2
Office of Housing	Grants and Contracts Specialist, Sr	Full-time	1
Office of Housing	Management Systems Analyst	Full-time	1
Office of Housing	Management Systems Analyst, Sr	Full-time	1
Office of Housing	Manager 1	Full-time	1
Office of Housing	Planning & Development Specialist	Full-time	2
Office of Housing	Planning & Development Specialist, Sr	Full-time	1
Office of Housing	Public Relations Specialist	Full-time	1
Office of Housing	Strategic Advisor 1	Full-time	1
Office of Housing	Strategic Advisor 1	Part-time	1

The Director of the Office of Housing is authorized to fill these positions subject to Seattle Municipal Code Title 4, the City’s Personnel Rules, Civil Service rules, and applicable employment laws.

Section 2. The appropriations for the following items in the 2022 Adopted Budget are modified as

follows:

Item	Department	Fund	Budget Summary Level	Amount
2.1	Executive (Office of Housing)	Payroll Expense Tax (14500)	Multifamily Housing (14500-BO-HU-3000)	(\$732,667)
		Payroll Expense Tax (14500)	Leadership and Administration (14500-BO-HU-1000)	\$671,273
		Payroll Expense Tax (14500)	Homeownership & Sustainability (14500-BO-HU-2000)	\$61,394
Total				\$0

Section 3. In order to pay for necessary costs and expenses incurred or to be incurred in 2022, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of the making of the 2022 Budget, appropriations for the following items in the 2022 Budget are increased from the funds shown, as follows:

Item	Department	Fund	Budget Summary Level	Amount
3.1	Executive (Office of Housing)	Office of Housing Fund (16600)	Leadership & Administration (16600-BO-HU-1000)	\$392,000
Total				\$392,000

Section 4. This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by a 3/4 vote of all the members of the City Council the _____ day of _____, 2022, and signed by me in open session in authentication of its passage this _____ day of _____, 2022.

 President _____ of the City Council

Approved / returned unsigned / vetoed this ____ day of _____, 2022.

Bruce A. Harrell, Mayor

Filed by me this ____ day of _____, 2022.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Office of Housing	Rebecca Guerra/3-0066	Miguel Jiménez/4-5805

** 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 appropriations for the Executive Department; amending Ordinance 126490, which adopted the 2022 Budget; changing appropriations and creating new positions in the Office of Housing; all by a 3/4 vote of the City Council.

Summary and Background of the Legislation: The Office of Housing (OH) proposes new position authority and related budget authority for 12.5 new FTE positions within OH and the authority for OH to fund an additional 1.5 FTE positions in the Law Department and Department of Finance and Administrative Services, as well as related increases in space and equipment costs to accommodate new staff. Funding will come from the administrative portion of payroll tax revenue already appropriated in OH’s budget. The total funding for these positions represents 2.3% of OH’s total payroll tax allocation in 2022, far under the 5% threshold, allowing for room should payroll tax deductions decline in the future.

In recent years, OH’s budget has quadrupled – from \$50 million in the 2014 Adopted Budget to \$208 million in the 2022 Adopted Budget. While the budget has increased by 316%, staffing has only increased by 23%. Added staff demands include:

- Higher transactional volume, including the number of loans closing, more complicated funding vehicles, and more activity in the incentive programs
- New policy analysis and programmatic responsibilities, such as community-focused funding, increased homeownership activity, and oil heat conversion
- Demand for specialized expertise

This legislation also increases budget authority to cover the costs of initial work related to the renewal of the Seattle Housing Levy, to be paid for with existing OH fund balance, including:

- Designing and transmitting levy renewal legislation
- Convening stakeholder and community conversations
- Developing in-language communication tools to illustrate the success of the 2016 Housing Levy

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? Yes X No

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
			\$392,000	\$283,000
Estimated revenue change (\$):	Revenue to General Fund		Revenue to Other Funds	
	2022	2023	2022	2023
Positions affected:	No. of Positions		Total FTE Change	
	2022	2023	2022	2023
			12.5	

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. On an annual and ongoing basis, \$2.2 million of Payroll Expense Tax will be necessary to cover the staffing costs proposed in this legislation. These funds are not reflected in the above table because they are already appropriated in OH’s 2022 Adopted Budget as part of the \$84 million of payroll tax in the Multifamily Housing BSL. Pending approval of this legislation, OH will shift the necessary funds to other BSLs within the payroll tax fund to cover the related staffing costs.

Are there financial costs or other impacts of *not* implementing the legislation?

If this legislation is not implemented, OH will be extremely limited in its ability to effectively administer the \$84 million of Payroll Expense Tax added to its budget in 2022. In addition, the requested authority to begin Housing Levy renewal work is critical to ensure continued levy resources beyond 2023.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/#	2022 Appropriation Change	2023 Estimated Appropriation Change
Office of Housing Operating Fund (16600)	OH	Leadership & Administration (BO-HU-1000)	\$392,000	\$283,000
TOTAL			\$392,000	\$283,000

Is this change one-time or ongoing?

The change in the above table relates only to the use of fund balance to pay for costs of work related to renewing the Seattle Housing Levy. These costs will impact 2022 and 2023 only.

Appropriations Notes:

As previously noted, payroll tax will be the ongoing source of funding the position adds in this legislation. There is no appropriation change in this table, because payroll tax has already been appropriated in OH’s 2022 Adopted Budget.

3.b. Revenues/Reimbursements

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

3.c. Positions

X This legislation adds, changes, or deletes positions.

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	2022 Positions	2022 FTE	Does it sunset?
n/a	Admin Staff Analyst, OH	Payroll Expense Tax (14500)	Finance & Admin	FT	1	1.0	no
n/a	Comm Dev Spec, OH	Payroll Expense Tax (14500)	Asset Management	FT	1	1.0	no
n/a	Comm Dev Spec, OH	Payroll Expense Tax (14500)	Multifamily Lending	FT	1	1.0	no
n/a	G & C Spec, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Mgmt Syst Analyst, OH	Payroll Expense Tax (14500)	Communications	FT	1	1.0	no
n/a	Mgmt Syst Analyst, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Mgr 1, OH	Payroll Tax (Payroll Expense Tax (14500))	Multifamily Lending	FT	1	1.0	no
n/a	Plng & Dev Spec, OH	Payroll Expense Tax (14500)	Homeownership	FT	1	1.0	no
n/a	Plng & Dev Spec, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Plng & Dev Spec, Sr, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no

Position # for Existing Positions	Position Title & Department	Fund Name & #	Program & BCL	PT/FT	2022 Positions	2022 FTE	Does it sunset?
n/a	Public Relations Specialist, OH	Payroll Expense Tax (14500)	Communications	FT	1	1.0	no
n/a	Strat Adv 1, OH	Payroll Expense Tax (14500)	Policy & Planning	FT	1	1.0	no
n/a	Strat Adv 1, OH	Payroll Expense Tax (14500)	Multifamily Lending	PT	1	0.5	no
TOTAL					13	12.5	

Position Notes:

In addition to the positions above, the legislation also includes the appropriation authority for OH to increase its payment to the Law Department (LAW) for paralegal support and to the Department of Finance and Administrative Services (FAS) for wage monitoring support. OH estimates that this will require 0.5 FTE in LAW and 1.0 FTE in FAS. The position authority needs in FAS and LAW related to this growth will be addressed in the upcoming budget supplemental ordinance.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?**
 Yes, as noted above, this proposal affects FAS and LAW. In addition, OH is in the process of exploring space options to accommodate this staffing growth; it is unknown at this time if the identification of additional office space will impact another department.
- b. Is a public hearing required for this legislation?**
 No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
 No.
- d. Does this legislation affect a piece of property?**
 No.
- e. 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?**
 High housing costs and homelessness disproportionately affect people of color nationwide and in Seattle. Increased workload within OH directly converts to more housing available to close the racial housing gap; program development and evaluation to achieve anti-racist housing outcomes. In 2019, 62 percent of renters in OH-supported housing were non-White

or Hispanic; additional funding and new policy initiatives such as community preference suggests that these outcomes will drive the number higher.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

The position adds in this legislation include a Planning & Development Specialist, Sr, who will serve as the Green New Deal (GND) Portfolio Specialist. This position will analyze properties in the OH portfolio to advance GND goals through electrification and other technology advances; advise OH Asset Management and Weatherization staff on best practices; and help developers respond to new Code requirements. It is OH's intent that these efforts will decrease the City's carbon footprint.

2. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.

No.

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 legislation does not represent a new initiative or programmatic expansion. However, the position adds in this legislation will equip OH to implement the Payroll Expense Tax-funded expansions appropriated in the 2022 Adopted Budget.

Summary Attachments:

Office of Housing Staffing Proposal

To: Seattle City Council Finance and Housing Committee

From: Maiko Winkler-Chin, OH Director and Rebecca Guerra, OH Finance Manager

Date: May 2, 2022

Proposal: The Office of Housing proposes new position authority and related budget authority for 12.5 new FTE positions within OH and an additional 1.5 FTE positions in the Law Department and Department of Finance and Administrative Services (see attachment for position details).

Background:

In recent years, OH's budget has quadrupled – from \$50 million in the 2014 Adopted Budget to \$208 million in the 2022 Adopted Budget. While the budget has increased by 316%, staffing has only increased by 23%.

- Higher transactional volume, including the number of loans closing, more complicated funding vehicles, and more activity in the incentive programs
- New policy analysis and programmatic responsibilities, such as community-focused funding, increased homeownership activity, and oil heat conversion
- Demand for specialized expertise

OH staff is under capacity given these increased workload demands, leading to ongoing deferral of core business functions, lengthier response times to Executive, Council, and external inquiries and an overextended staff often working in off hours.

Job Responsibilities: A detailed analysis of job functions and work-time capacity was conducted to create the landscape for these new positions. RSJI change team work was intentionally incorporated to ensure staff have time to participate in development of tool kits and training to ensure OH is moving toward becoming an anti-racist and multicultural organization.

New OH staff will work on:

- Transactions for new development, preservation and acquisition of affordable housing
- Compliance monitoring and asset management, including compliance with federal funding like rent assistance
- Transactional work, including approval and implementation of new development and preservation projects
- Community and neighborhood engagement
- Technical support to communities of color
- Program evaluation and toolkit deployment to assess both racial equity and climate implications of proposed policies and programs
- Policy and program development work

See attachment 1 for full position details.

Financial Considerations: Funds to pay for these positions will come from the administrative portion of payroll tax revenue already appropriated in OH’s budget. Please note that this total represents 2.3% of our total payroll tax allocation in 2022, far under the 5% threshold, allowing for room should payroll tax deductions decline in the future.

12.5 FTE in OH as detailed above	1,664,459
Additional support to LAW for 0.5 paralegal	66,334
Additional support to FAS for 1.0 wage monitor	138,690
Additional space rent charges to FAS due to increased office space	250,000
Equipment, including laptops (\$3,000 per person)	42,000
Annualized Cost	2,161,483

Levy Renewal

Separate from the staffing proposal, OH is requesting additional budget authority in 2022 for costs related to renewing the Housing Levy including:

- Designing and transmitting levy renewal legislation
- Convening stakeholder and community conversations and
- Developing in-language communication tools to illustrate the success of the 2016 Housing Levy.

Both the 2022 and 2023 costs – totaling \$675,000 – are proposed to be paid for with 2016 Levy administrative fund balance, which has a projected end-of-Levy fund balance of \$2.5 million before this proposal. The 2022 amount is \$392,000. (Proposed 2023 costs will be included in OH’s 2023 budget submittal *See attached background memo for additional details.*

Budget Actions

To implement this proposal, the following budget actions would be needed:

- Add position authority for 12.5 FTE in OH
- Transfer \$1.5 million of payroll tax budget authority from 14500 / Multifamily Capital BSL to appropriate admin BSLs within 14500.
- Add \$392,000 of authority in 16600 / Leadership & Administration BSL for the 2022 Levy renewal costs funded by the 2016 Levy admin fund balance.

Budget authority may be needed in FAS for wage monitoring and in LAW for paralegal support. It is unknown at this time if position authority would also be needed in those departments or if existing staff would be reallocated for this work.

Attachment:

- Position Detail

Attachment 1: Requested Positions

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Compliance Monitoring	+1.0	Comm Dev Spec	Addresses substantial backlog and ongoing volume increases in compliance activities for affordable housing constructed with OH funding or through market-based programs such as MFTE and MHA.
Underwriting and Closing	+1.0	Comm Dev Spec	Addresses ongoing volume increases in new funding applications and financial closings.
Day-to-Day Management of Underwriting Staff	+1.0	Mgr 1	Resolves excessive span-of-control (8:1 with new CDS requested), allows Capital Investments Manager to deepen her focus on strategy, high-level problem-solving, and external relations with State of Washington and other funding partners.
Capacity Building	+0.5	SA1	Provides technical assistance to culturally- and community-based organizations seeking to sponsor of equitable development projects, inclusive of both rental and permanently affordable for-sale housing.
Specialized Mapping, Spatial Analysis, Reporting	+1.0	Mgmt Systems Analyst	Fills a missing but essential technical skill set. Improves responsiveness to media and other inquiries; supports locational analysis including transit proximity and alignment of MHA revenue-to-investment geographies; supports performance measurement and outcomes analysis.
Graphic Design, Visualizations, Social Media	+1.0	Pub Rel Spec	Upgrades materials and social media presence to current-day standards. Supports Levy planning and materials design for community and stakeholder outreach. Creates capacity to absorb workload resulting from an uptick in public disclosure requests.
Office Management	+1.0	Admin Staff Analyst	Continues an emergency position that absorbs responsibilities currently handled by Finance Director during her off-hours: e.g., IT liaison, IT and office equipment inventory, building management liaison, records retention, space planning. Also creates capacity to support logistical issues to support transition to new data systems.
Homeownership Development Specialist	+1.0	Plng & Dev Spec	Addresses new volume: administers new funding to subsidize tripled citywide development of permanently affordable for-sale housing.
Policy Analyst	+1.0	SA1	Responds to Executive and Council directives for analysis to support periodic legislative action; adds dedicated capacity for housing needs analyses; improves responsiveness to media and public inquiries; expands reporting capacity.

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Green New Deal Portfolio Specialist	+1.0	Plng & Dev Spec, Sr	Provides new expertise and accommodates new functions. Analyzes properties in OH portfolio to advance GND goals through electrification and other technology advances; represents OH on climate IDT; advises OH staff (e.g., asset management and weatherization) on best practices; analyzes and helps developers respond to new Code requirements.
Federal Grants Specialist	+1.0	Grants and Contracts Spec, Sr	Provides dedicated capacity and specialized expertise for administration/compliance/reporting functions needed to accept, commit, and spend existing and new Federal funds. Addresses workload crunch for 2023 Consolidated Plan update, pending AAP amendments, and CAPER.
Database Development and Officewide Coordination	+1.0	Mgmt Systems Analyst, Sr	Provides specialized expertise and addresses pressing need for database upgrades. Position will coordinate planning, business analysis, and data integrity work taking place throughout office; position will also gather and analyze data necessary to Levy renewal planning.
Performance Measurement and Evaluation Coordinator	+1.0	Plng & Dev Spec	Contributes to development of new data analysis tools including a pending performance measurement platform and dashboard reporting tool; designs, executes, and periodically refines dashboard elements; maintains dashboard.
	+12.5		

In addition, we propose two positions in the Law Department (0.5 FTE paralegal) and Department of Finance and Administrative Services (1.0 FTE construction wage monitor).

Title or Functions	FTE Change	Position (or equivalent)	Purpose
Paralegal Support in the LAW Department	+0.5	TBD	Addresses new transactional and related workload: (per-project legal documents (deeds of trust, regulatory instruments), real estate negotiations, legislation review, director’s rules.
Wage Monitoring in FAS	+1.0	TBD	Provides staffing to maintain level of service for construction site visits and monitoring to prevent wage-theft.



Legislation Text

File #: Inf 2043, **Version:** 1

Seattle Rescue Plan: Quarterly Update on Seattle American Rescue Plan Act Spending

Seattle Rescue Plan:

Quarterly Update on Seattle's ARPA Spending

Julie Dingley, Director, City Budget Office

William Chen, Fiscal and Policy Manager, Innovation & Performance

SEATTLE
CITY HALL

May 4, 2022



City of Seattle 21

Overview

Key Takeaways

Lay of the Federal Funding Land

FEMA Update

Implementation Update

Seattle Rescue Plan (SRP) Summary

Spending Highlights

Key Takeaways

- **The City continues to make progress building necessary capacity, contracting, and spending SRP funds.**
- **We have kicked off a new phase of Seattle Rescue Plan implementation: performance evaluation.** At the same time the City continues to stand up and execute on programs getting support out to the community, we are also fulfilling both an expectation of the U.S. Treasury that recipients evaluate their programs, as well as our own interest in better understanding and learning lessons from our work to do better, that we can share with the City, and with the public.
- **Highlighted areas of spending:**
 - Cash Assistance
 - Food Assistance
 - Housing Affordability
 - Homelessness
 - Childcare
 - Community Well-Being
 - Economic Recovery
 - Outdoor Recreation
 - Unified Aid Portal

Lay of the Federal Funding Land

American Rescue Plan Act (ARPA):

- \$300m in direct funding for Seattle; allocated via “**Seattle Rescue Plan**” packages

Additional resources currently in play:

- **ARPA:** The State and County received millions of dollars that may still pass through to or affect the City, notably for food assistance. More to come in HSD’s response to SLI HSD-026-A-001.
- **FEMA** (ongoing eligible expenses and reimbursement activities)

Additional resources to come:

- **Infrastructure Investment and Jobs Act (IIJA):**
 - Federal granting agencies will be finalizing rules and announcing deadlines throughout the rest of the year.
 - City departments are underway analyzing the bill for opportunities and preparing to apply.

FEMA Public Assistance Update

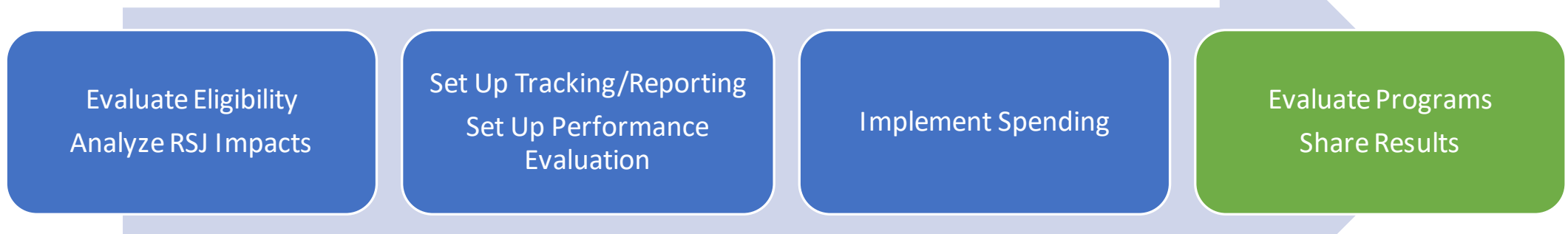
- \$12.2m of reimbursements received or approved by FEMA; \$14.8m in process
- Vaccine work: \$13m of invoices submitted to PHSKC; \$12.2m received to date
- FEMA reimbursements are all already factored into revenue projections

	# of Projects	Amount	Non-congregate Shelter Projects
Project Worksheets pending submission from Depts	6	\$2,647,803	
PWs currently in review with OEM	3	\$6,139,587	
PWs currently in State/FEMA Desk Review	3	\$1,778,263	
PWs in review by FEMA Consolidated Resources Center	9	\$4,241,315	
PWs Approved by FEMA	10	\$6,241,958	2 NCS projects; \$1,007,534. 1 NCS project; \$4,706
FEMA Reimbursement Received	5	\$5,490,557	1 NCS project; \$1,754,410
<i>FEMA Reimbursement Held for Close-Out</i>		\$538,859	
Total	36	\$27,051,342	

Seattle Rescue Plan Implementation Update: Process

With an unprecedented level of direct funding heading to all levels of government nation-wide, the Treasury created a thorough and complex set of guidelines and use restrictions for CLFR dollars. To address this complexity, CBO created and managed a review process for over 90 programs.

Seattle Rescue Plan Team has onboarded two Evaluation Advisors, and work is underway with departments that will enable us to understand and share the impacts our investments have had/will have.



Seattle Rescue Plan Implementation Update: Reporting

Treasury requires CLFR recipients submit two regular reports:

Quarterly Project and Expenditure Report (QPER)

- Technical report relying on accounting structures set up with departments, as well as manual asks.
- First QPER was submitted January 31, 2022. Next QPER due April 30, 2022.

Annual Recovery Plan Performance Report

- Provides a high-level look at the entire plan for CLFR looking forward, including spending and performance evaluation.
- First report submitted on August 31, 2021, shared with Central Staff, published on CBO website: [Link](#)
- **The next annual Recovery Plan Performance Report will be due July 31, 2022.**

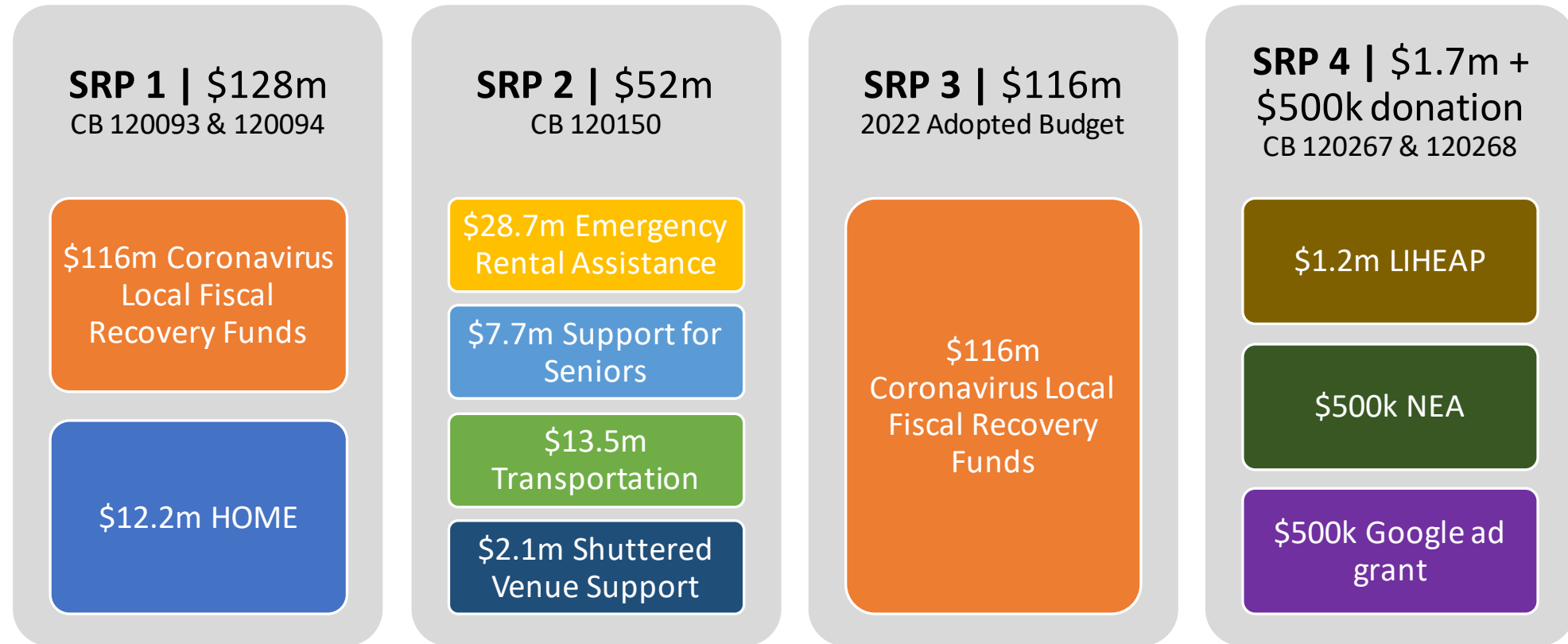
Public Spending and Performance Portal

- Layperson-friendly web portal to share progress on SRP spending and performance results.
- Will launch in phases, with Phase 1: Spending launch target beginning of June.
- Phase 2: Performance launch target beginning of August.

City Council is now receiving monthly update reports on Seattle Rescue Plan.

Seattle Rescue Plan (SRP) Summary

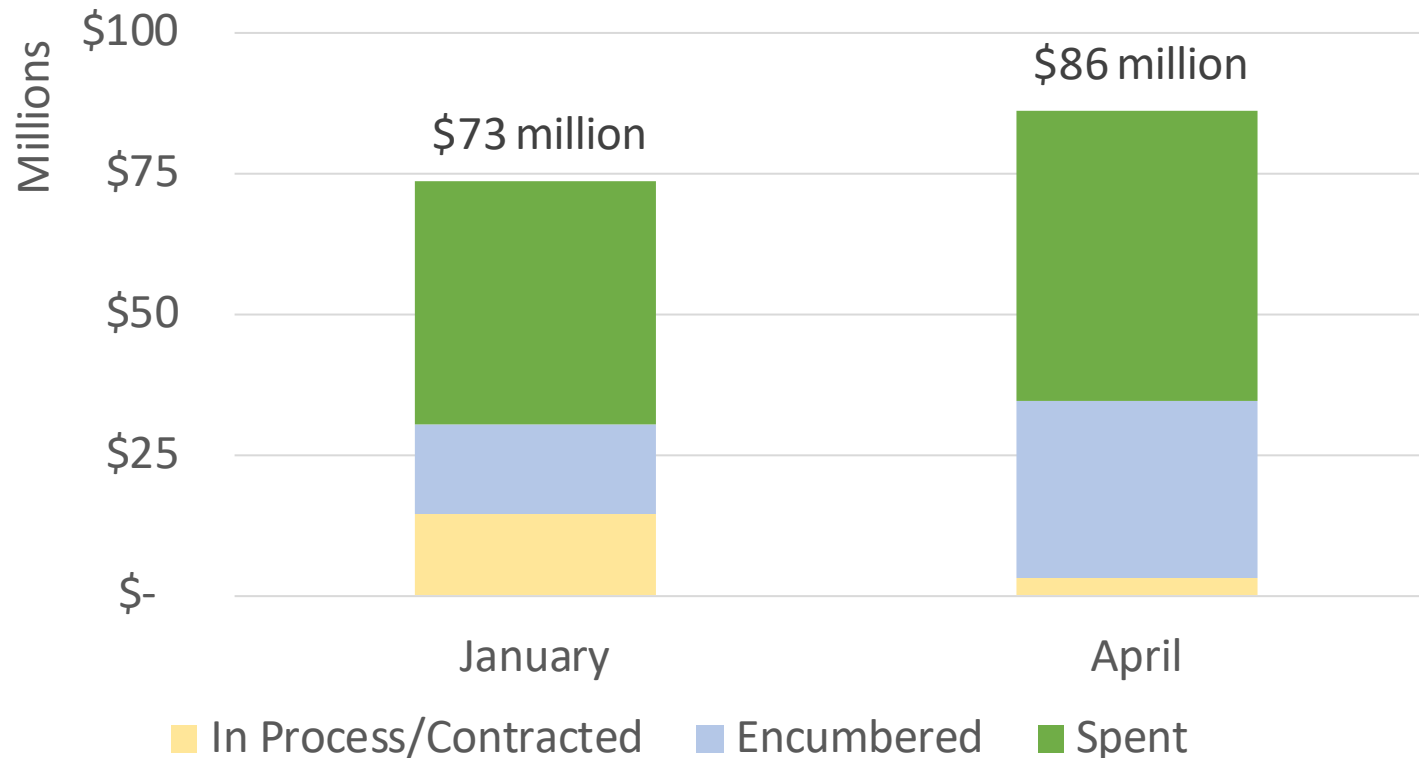
Seattle has received nearly \$300M of the \$1.9T total from the American Rescue Plan Act (ARPA), including \$232M in local direct aid (flexible funding from the Coronavirus Local Fiscal Recovery [CLFR] funds) and other targeted aid under the umbrella of the “Seattle Rescue Plan.”



All-SRP Appropriation Summary

	SRP1	SRP 2	SRP3	SRP4	Total
Grand Total	\$123,410,000	\$52,150,000	\$121,060,000	\$1,710,000	\$298,430,000
Housing & Homelessness	\$44,820,000	\$28,730,000	\$28,310,000	\$1,210,000	\$103,080,000
Community Well-being & Reopening Services	\$45,990,000	\$7,750,000	\$15,140,000		\$68,880,000
Community & Small Business Recovery	\$24,130,000	\$15,670,000	\$10,350,000	\$500,000	\$50,640,000
Community Safety & Mental Health	\$1,200,000		\$7,030,000		\$8,230,000
Supporting City Workers & Services	\$7,280,000		\$60,330,000		\$67,600,000

SRP1 Progress Since January Update



- \$12.5 million in further activity (spending, encumbrance, in process)
- \$8.3 million more spending recorded
- \$14 million of in process contracts now encumbered or spent

SRP1 Spending Update

	Allocated	In Process / Contracted	Encumbered	Spent	Total Spent/ Encumbered/ In Process	% Progress
Grand Total	\$123,410,000	\$3,191,298	\$31,470,818	\$51,239,221	\$85,901,337	70%
Housing & Homelessness	\$44,820,000	-	\$20,277,758	\$13,352,992	\$33,630,750	75%
Community Well-being & Reopening Services	\$45,990,000	-	\$5,525,820	\$31,505,641	\$37,031,461	81%
Community & Small Business Recovery	\$24,125,000	\$1,505,339	\$4,931,438	\$4,313,510	\$10,750,287	45%
Community Safety & Mental Health	\$1,200,000	-	\$711,065	\$328,823	\$1,039,888	87%
Supporting City Workers & Services	\$7,275,000	\$1,685,959	\$24,737	\$1,738,255	\$3,448,951	47%

SRP3 Spending Update (direct-CLFR)

	Allocated	In Process / Contracted	Encumbered	Spent	Total Spent/ Encumbered/ In Process	% Progress
Grand Total	\$54,819,916	\$20,243,875	\$26,104,619	\$1,143,513	\$47,487,007	87%
Housing & Homelessness	\$23,312,968	-	\$23,312,968	-	\$23,312,968	100%
Community Well-being & Reopening Services	\$12,463,976	\$2,919,672	\$2,791,651	\$373,269	\$6,084,592	49%
Community & Small Business Recovery	\$9,351,156	\$8,927,513	-	\$423,643	\$9,351,156	100%
Supporting City Workers & Services	\$9,691,816	\$8,391,690	-	\$346,601	\$8,738,291	90%

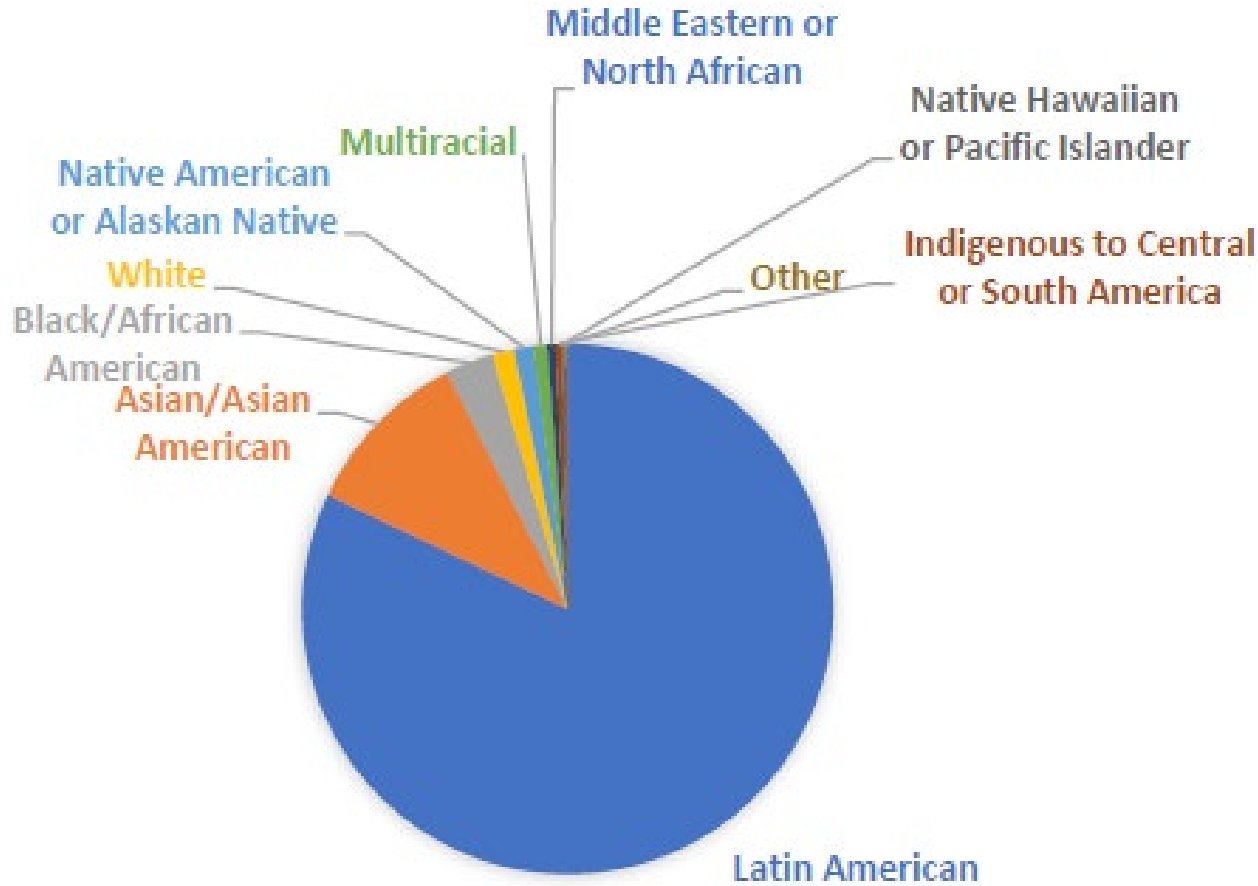
*SRP3 also included \$66.3m in revenue replacement to the General Fund.

Cash Assistance Phase 1: Who Received Assistance?

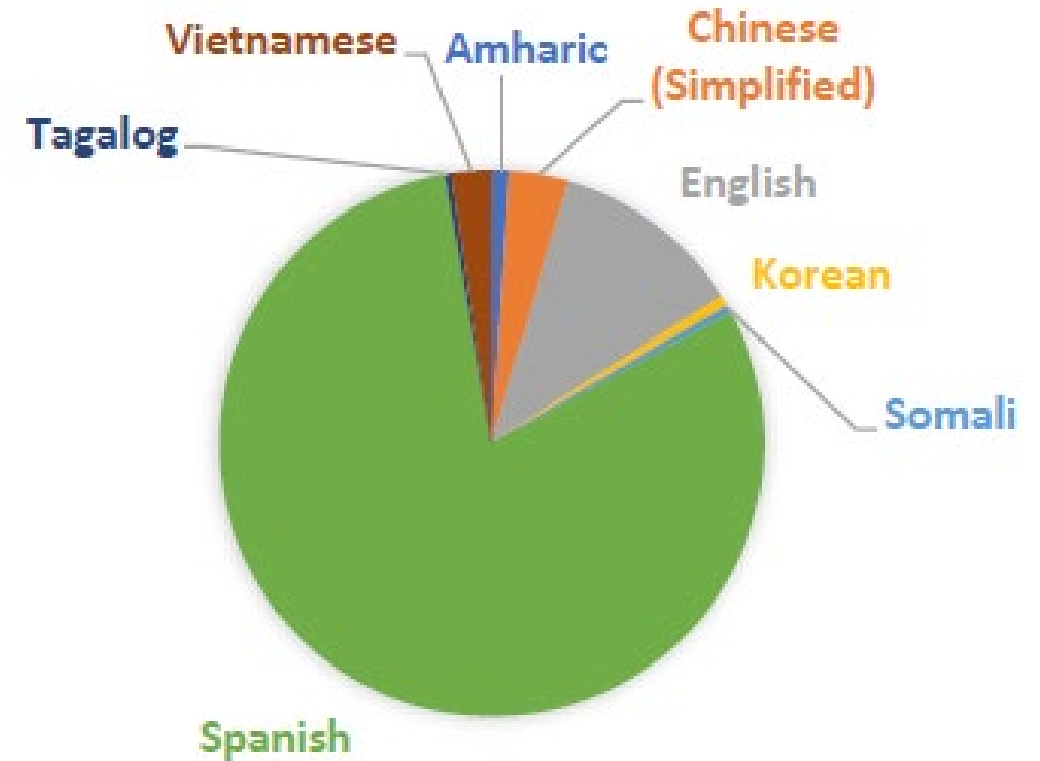


Phase 1: Eligible prior recipients of Seattle Disaster Relief Fund. \$5.8 million disbursed to 2,320 households.

Recipient Race/Ethnicity



Application Language



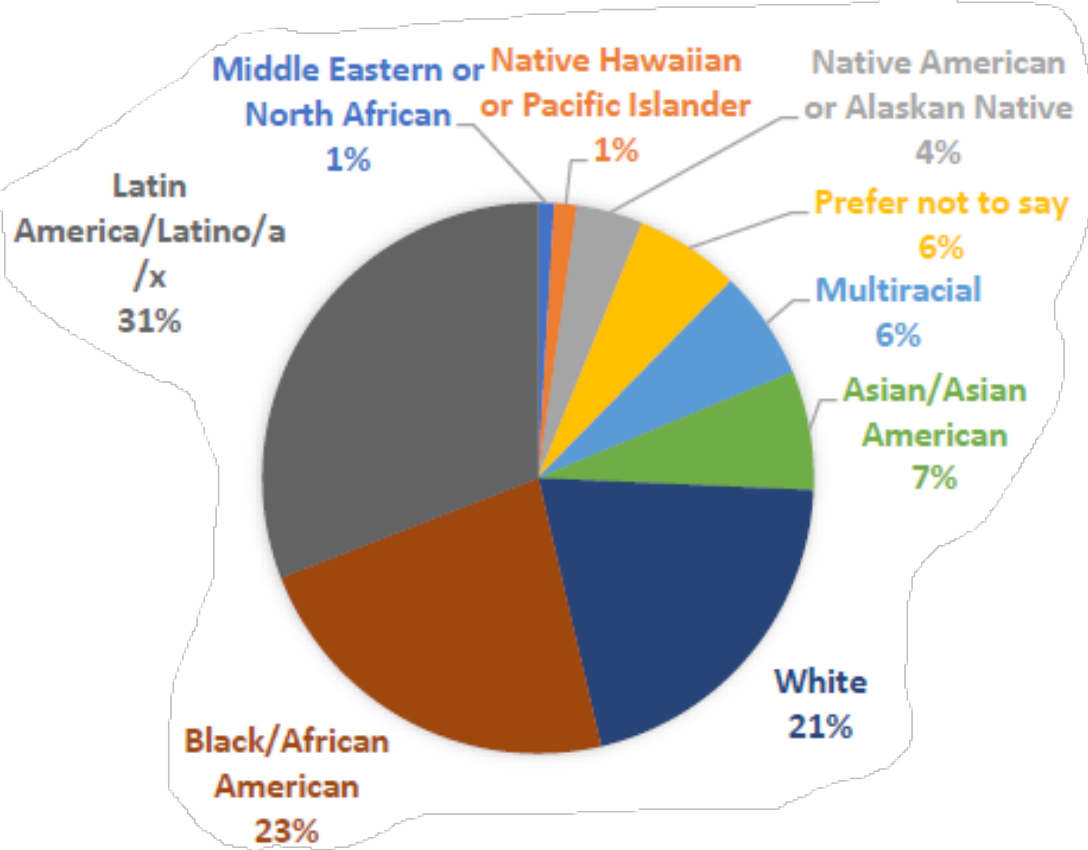
Source: Scholarship Junkies, Seattle Rescue Plan Final Report

Cash Assistance Phase 2: Who Received Assistance?

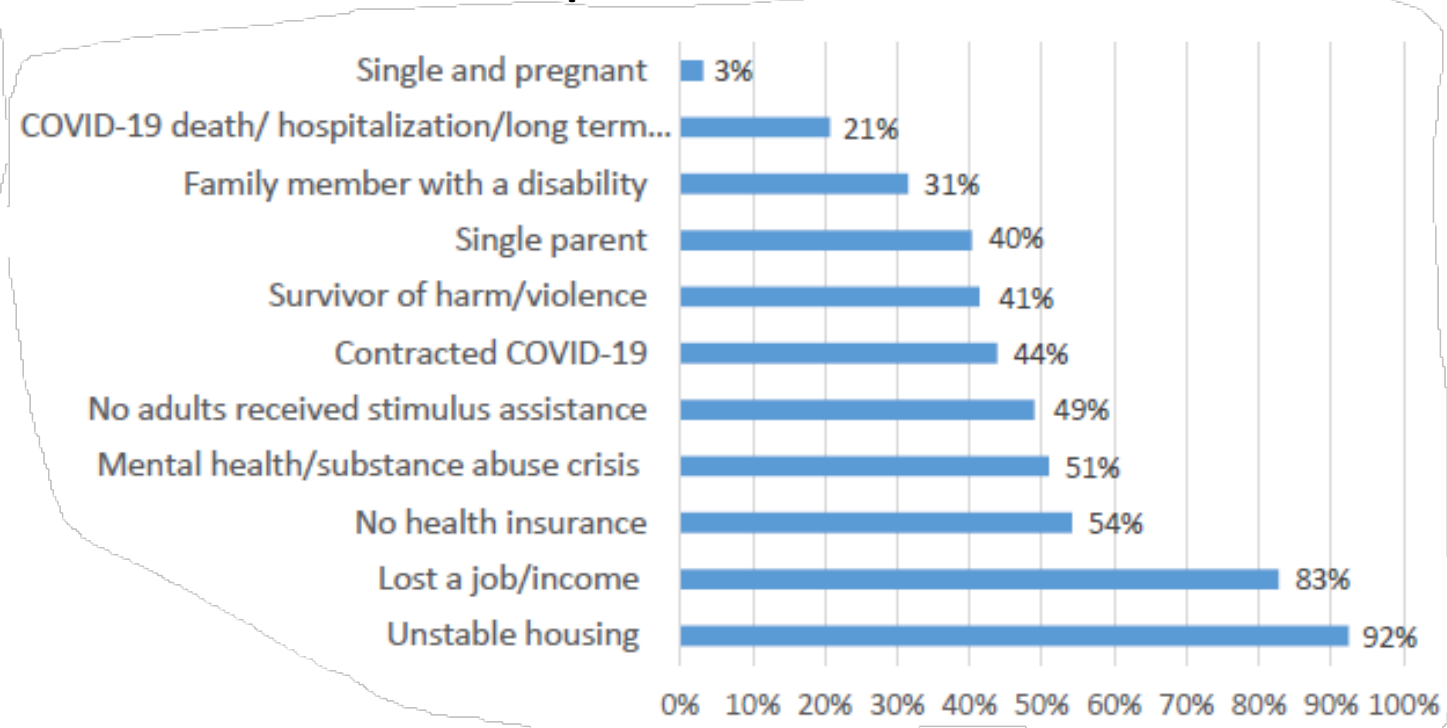


Phase 2: Open application for eligible low-income households. \$16.2 million disbursed to 9,392 households.

Recipient Race/Ethnicity



Recipient Characteristics



Source: Scholarship Junkies, Seattle Rescue Plan Final Report

Spending Highlights: Food Assistance



Good Food Kitchens: \$690,000

- Funds local restaurants in diverse Seattle neighborhoods to provide meals to community members who are facing food insecurity.
- 100% obligated: \$232k spent, \$458k encumbered



Continuation of 2021 COVID -related Food Programs in 2022: \$7.5 million

- Food assistance to low-income individuals and households via several strategies, including food banks, meals in permanent supportive housing and emergency shelters, and Ethnic Grocery Bags.
- \$3.3 million of the total funding potentially being held for savings, in consideration of the State's having just budgeted an additional \$58 million this biennium for food boxes to hunger relief organizations prioritizing BIPOC, low-income, and rural communities.
- \$346k spent, \$2.5 million obligated



Low-Income AIAN “Food Prescriptions” : \$308,000

- Final scope of work negotiated, with project activity expected to begin late summer.

Spending Highlights: Housing Affordability

Affordable Housing Rapid Acquisitions



CLFR (\$16.3m):

- Thanks to CLFR funds, OH has purchased **four new multifamily buildings with 198 units total**. About half the funds for the purchases come from State matching funds. The units and shelter beds will be open for occupancy in 2022.



HOME (\$12.2m):

- Currently awaiting HUD approval of HOME allocation plan.

Emergency Rental Assistance (ERA) 1 and 2



ERA1 (\$22.7m):

- 100% obligated, including to 16 Community Based Organizations who are presently working with tenants
- 95% spent



ERA2 (\$28.7m):

- 61% obligated, including contract renewal with UWKC
- 49% spent



Affordable Housing Provider Capacity Building

- \$3m (SRP1 + SRP3): 100% obligated: \$120k spent, \$2.88m encumbered

Spending Highlights: Homelessness



Most of the City’s homelessness investment will be implemented via the King County Regional Homelessness Authority. \$28.7 million for services, including:

KCRHA CLFR Project	Amount Under Contract
\$12M for Salvation Army-SODO Shelter*	1,947,527.00
\$6.6M for Keiro Shelter*	2,200,000.00
\$3.6M for COVID Mitigation in Shelters	3,132,343.00
\$2.3M for Capacity Building	NOFA in May
\$1M for Diversion	NOFA in May
\$2.3M for Rapid Rehousing	970,047.00
\$500k for Safe Lots	NOFA in April; contract in May
\$400k for Villages	Contract by end of April
Total Under Contract To-Date	\$8,249,917

*: SODO and Keiro Shelters are budgeted operating funding through 2023 and 2024, respectively.

Note: another \$7.5 million of shelter and services is being managed by King County and is under contract.

Spending Highlights: Childcare



Support for childcare workers: \$3 million disbursed to over 3,500 workers

- Spending complete. One-time payment recognizing the essential services they have provided to families during the pandemic.



Building or expanding childcare facilities: \$5 million

- HSD/DEEL coordinating on outreach/recruitment to providers and facilities RFPs
- Two Project Facilities Coordinator positions posted (HSD) to increase capacity
- **Timeline:**
 - **April 22:** Childcare provider survey period has completed.
 - **May:** DEEL's RFI release. (FEPP) Open to Seattle Preschool Program sites only.
 - **Mid-May:** HSD's RFP release. (CLFR) Open to broader childcare community.
 - **Mid-June:** HSD will release an RFQ for architectural support to increase capacity to assist providers
- Childcare providers can contact HSD directly with questions or to learn more at ChildCareFacilities@seattle.gov

Spending Highlights: Community Well-Being



Older Americans Act (OAA): \$2.8 million available in 2021

- HSD's Aging & Disability Services division has developed a 1-year spending plan for the Older Americans Act COVID grant and is proceeding with contracting: \$900k awarded to date, \$450k spent.
- State appropriated their matching funds, which we expect to receive in July 2022.
- Services include: elder abuse case mgmt., transit subsidies, caregiver counseling, and nutrition/meals
- Maintain or scale existing covid relief efforts, including alleviating negative health effects of social isolation



Supporting Survivors of Gender-Based Violence: \$600,000

- 100% of funds obligated: \$164k spent; \$436k encumbered



Mental health services for individuals, youth, families: \$600,000

- 100% of funds obligated: \$112k spent; \$488k encumbered

Spending Highlights: Economic Recovery



Small Business:

\$900,000 for Downtown Activation/Welcome Back Weeks: \$776k spent, \$63k encumbered.

\$20 million for recovery grants and technical assistance to small businesses, micro businesses, neighborhood business organizations

- Neighborhood Economic Recovery Grants (\$5.5M): \$700k spent to date; \$4.8m committed.
- Downtown Recovery Grants, Workforce Development, and Empty Storefronts (total \$1.4M): \$1M spent/encumbered.



Arts and Cultural Organizations:

\$3 million for direct financial assistance for COVID-related relief and facilities support

- Cultural Organizations Reopening Grants (\$2.2M): RFP closed, applicants scored, with eligibility screening in process now. Arts Recovery Manager started mid-March, and 2 program staff who will work on this project in hiring process.
- Cultural Districts Recovery Grants (\$500k): 100% of funds encumbered.
- Hope Corps (\$250k): \$240K spent/encumbered.



Job Training:

\$450,000 for wrap-around services and retention program as part of Seattle's Priority Hire program:

- FAS is coordinating approach with OSE's \$1M for pre-apprenticeship training. RFP release estimated Q2 2022.

Spending Highlights: Outdoor Recreation



Parks Enhanced Maintenance: \$1.05 million

- Spending complete.



Opening Wading Pools: \$400,000

- Spending complete.



Rec N' the Streets: \$200,000

- Spending complete.



Parks Activation: \$500,000

- SPR is developing a program plan to fully implement this summer.



Stay Healthy Streets: \$2.5 million

- SDOT is delineating eligible costs of the program to apply CLFR funds to.

Spending Highlights: CiviForm

To date, CiviForm has received 5,688 applicants
with 637 applying to 2+ programs, and 208 applying to 3+ programs

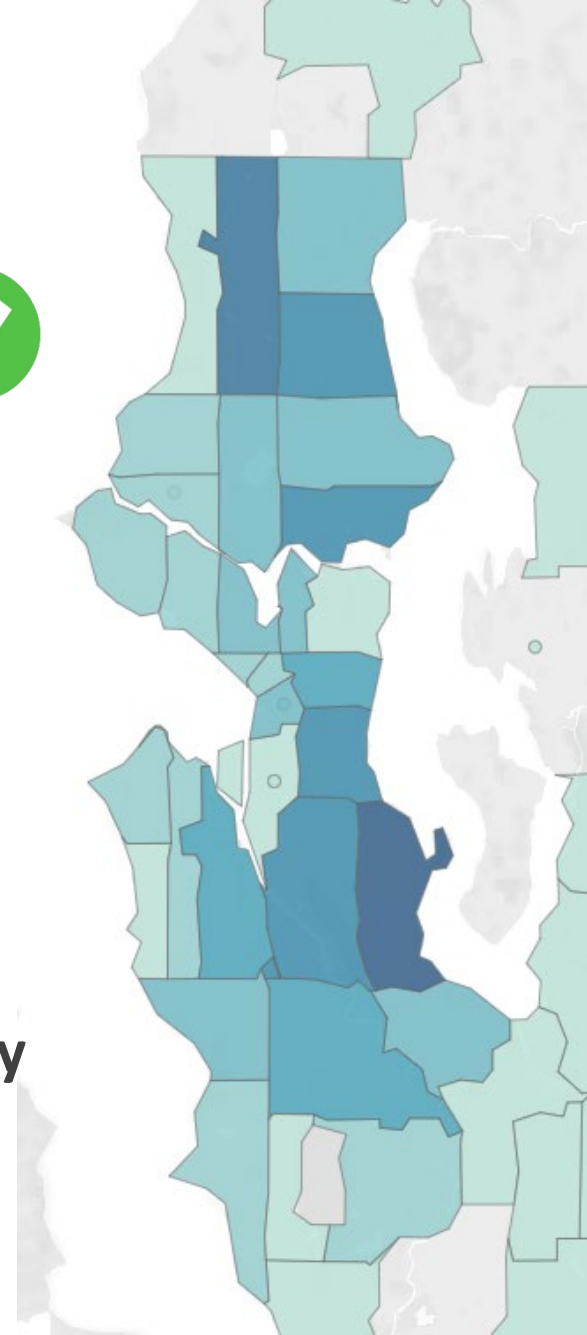


Recently added a new program: Emergency Bill Assistance (SCL).



CiviForm is tracking valuable data we can use to improve the system's effectiveness, like applicant zip codes and how long different applications take to complete on average.

We look forward to sharing more about what we learn about CiviForm and other SRP programs in August, after we publish the annual Recovery Plan Report.



Questions?

Appendix: Additional Funding Detail

AS OF 12/31/21

SRP2 Spending Update

	Allocated	In Process / Contracted	Encumbered	Spent	Total Spent/ Encumbered/ In Process	% Progress
Grand Total	\$52,150,738	-	\$5,577,349	\$28,371,750	\$33,949,099	65%
Housing & Homelessness	\$28,730,963	-	\$4,610,870	\$15,685,322	\$20,296,193	71%
Community Well-being & Reopening Services	\$7,752,975	-	\$192,320	\$456,299	\$648,619	8%
Community & Small Business Recovery	\$15,666,800	-	\$774,159	\$12,230,129	\$13,004,288	83%



Legislation Text

File #: Inf 2048, **Version:** 1

General Fund Financial Planning



SEATTLE CITY COUNCIL
CENTRAL STAFF

General Fund Financial Planning

April 2022

TOM MIKESELL, ANALYST & ALY PENNUCCI, DEPUTY DIRECTOR

FINANCE AND HOUSING COMMITTEE

MAY 4, 2022

Outline

- Background on multi-year financial planning and projections, including the role that the regular review of financial plans can play in financial sustainability analysis before, during, and after the budget process
- Prior and current versions of the GF six-year financial plan
- Optional measures identified to enhance sustainability of the GF

Defining terms and acronyms

Terms:

- **Ongoing:** A revenue or expenditure that is assumed to be added to future year's budgets at either the same amount or with some amount of assumed growth.
- **One-time:** A revenue or expenditure that is for a discrete purpose or activity, with a defined beginning and an end
- **Growth Assumptions:** Annual percentage rates that are applied to ongoing expenditures and revenues to determine whether they grow, decline, or stay the same in future years.
- **Operating Surplus or Deficit:** If annual revenues are greater than or lower than annual expenditures. This is the principal measure of a fund's financial sustainability
- **Reserves:** Unappropriated balances, reflected in the financial plan
- **Fund Balance:** This measures the level of one-time resources in a fund after accounting for all actual and projected operations.

Acronyms:

GF = General Fund

FP = 6YR Financial Plan

YE = Year-end

CBO = City Budget Office

OERF = Office of Economic and Revenue Forecasts

Background

What is a Financial Plan?

Planning document that:

- applies a set of assumptions to project future revenues and expenditures
- reveals how economic trends impact both growth in budgets and revenues
- identifies future financial challenges and opportunities.

Why do a Financial Plan?

- To center longer-term financial sustainability considerations in near-term budget choices.
- To consider how the underlying economic basis upon which decisions are made will change in the future.

2020 Adopted Budget GF Financial Plan

<i>Amounts in \$1,000s</i>	2020 Adopted	2021 Projected	2022 Projected	2023 Projected
Starting Fund Balance:	79,017	59,673	17,960	(20,154)
Revenues	1,482,686	1,464,667	1,510,029	1,555,797
Expenditures*	(1,502,030)	(1,506,380)	(1,548,143)	(1,592,251)
Operating Surplus (Deficit)	(19,344)	(41,713)	(38,114)	(36,454)
Ending Budgetary Fund Balance	59,673	17,960	(20,154)	(56,608)
Reserves	(59,660)	(59,660)	(59,660)	(59,660)
Ending Unreserved Fund Balance	13	(41,700)	(79,814)	(116,268)

*For purposes of these tables, beginning in 2021, the annual increase in 'Reserves' is shown as an expenditure, since these amounts in the financial plan represent projected expenditures, most notably in labor costs, that are intended to be budgeted in future years, but are not yet part of the budget due to legal or other considerations.

Key takeaway: The 2020 GF FP projected that, beginning in 2021 and continuing through 2023, ongoing GF operating expenditures were projected to outpace GF operating revenues by roughly \$39 million per year, and the 2023 YE unreserved fund balance was projected to be **(\$116 m)**.

2022 Adopted Budget GF Financial Plan

<i>Amounts in \$1,000s</i>	2020 Actuals ^{1/}	2021 Revised	2022 Adopted	2023 Projected	2024 Projected	2025 Projected
Starting Balance	122,741	53,394	8,098	68,668	(77,959)	(224,368)
Revenues	1,378,082	1,718,938	1,645,866	1,498,514	1,533,343	1,591,142
Expenditures	(1,461,262)	(1,764,233)	(1,585,297)	(1,645,140)	(1,679,752)	(1,710,550)
Operating Surplus (Deficit)	(83,180)	(45,295)	60,569	(146,627)	(146,409)	(119,409)
Ending Budgetary Fund Balance	53,394	8,099	68,668	(77,959)	(224,368)	(343,777)
Planning Reserves	(65,613)	(21,641)	(66,093)	(66,093)	(66,093)	(66,093)
Ending Unreserved Fund Balance	(12,219)	(13,542)	2,575	(144,052)	(290,461)	(409,869)

^{1/}Expenditures row includes a \$13.9 million balance sheet adjustment.

Key takeaway: The 2022 Adopted GF FP projected \$146m operating deficits in 2023 and 2024 , and a negative unreserved fund balance at 2024 YE of **(\$290 m)**.

2022 Revised Budget GF FP (April 2022)

Changes & Assumptions In the Revised FP

2021:

- Reflects 2021 year-end actual revenues and expenditures and adjusts the budgetary and reserved balance, as provided by CBO, including:
 - Actual revenues \$33.5 million above revised estimates
 - Actual expenditures \$231.7 million below revised estimates.
 - Net automatic and proposed carryforwards of \$144.5 million reduces balance
- Ending 2021 unreserved balance of \$120 million

2022:

- 50% of ending balance (~\$55 million) to Revenue Stabilization Fund (Ordinance 123743)
- Updated inflation/growth estimates and revenue forecasts applied to 2022-2026

GF Six-Year FP Review

2022 Revised Budget GF FP (April 2022) – Reserves

<i>Amounts in \$1,000s</i>	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	Total
Emergency Fund	10,000	10,000	10,000	10,000	40,000
Revenue Stabilization Fund	15,400	15,400	15,400	15,400	61,200
Total	25,400	25,400	25,400	25,400	101,200

- Using 50% of 2021 ending unreserved balance to fully replenish Revenue Stabilization Fund in 2022 increases fiscal resiliency and reduces ongoing expenditures in the plan by approximately \$12 million per year.
- \$55.7 m transfer to RSF in 2022 mid-year supplemental is assumed in the revised financial plan

2022 Revised Budget GF FP (April 2022) - Inflation

	2023	2024	2025	2026*
2022 Adopted Budget	3.0%	4.0%	2.3%	n/a
April 2022 Forecast	3.8%	2.7%	2.3%	2.4%
Variance	0.8%	1.3%	0%	n/a

*The 2022 Adopted Budget six-year financial plan only includes projections through 2025.

CBO/OERF Regional Economic Model	2022
2022 Adopted Budget	3.2%
April 2022 Forecast	7.0%
Variance	3.8%

- Inflation largely affects labor, IT, facilities and fleet costs
- Inflationary impacts to revenues and expenditures are not equivalent

Key takeaway: Large inflationary increase this year, followed by more moderate projected increases in 2023 through 2024.

2022 Revised Budget GF Financial Plan (April 2022)

<i>Amounts in \$1,000s</i>	2022 Adopted	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Starting Balance	8,099	273,327	175,116	57,889	(49,230)	(118,495)
Revenues	1,645,866	1,708,670	1,525,719	1,568,507	1,639,317	1,703,982
Expenditures ^{1/}	(1,585,297)	(1,806,881)	(1,642,946)	(1,675,626)	(1,708,582)	(1,741,695)
Operating Surplus (Deficit)	60,569	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
Ending Budgetary Fund Balance	68,668	175,116	57,889	(49,230)	(118,495)	(156,208)
Planning Reserves	(66,093)	(93,043)	(93,043)	(93,043)	(93,043)	(93,043)
Ending Unreserved Fund Balance	2,575	82,074	(35,154)	(142,272)	(211,538)	(249,251)

1/ 2022 Revised Expenditures include \$221 m of one-time carryforward and reserve replenishments items added through proposed supplementals. These are fully funded through carryforward 2021 fund balance and \$37 m of anticipated grants.

Key takeaway: After applying new assumptions and forecasts, projected operating deficit in 2023 declines to \$117m vs. \$146m, and projected unreserved fund balance improves to (\$142 m) at end of 2024 vs (\$290 m).

GF Budget Financial Planning Options

Strategies to consider to address the projected GF deficit

Long-term structural strategies

- ‘Right-sizing’ GF budgets and reducing expenditures
- Alternative forecast assumptions (optimistic or pessimistic)
- Permanent changes to restricted fund policies

Shorter-term strategies

- Temporary changes to restricted fund policies, use of fund balance

Note: The 2022 revised GF financial plan, and scenarios presented in the subsequent slides, do not include funding to support new or expanded programs or services in 2023 and beyond.

GF Budget Financial Planning Options

GF Financial Plan Assuming 3% Expenditure Reduction

<i>Amounts in \$1,000s</i>	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
3% Reduction in Expenditures		49,288	50,269	51,257	52,251
Revised Operating Surplus (Deficit)	(98,211)	(67,939)	(56,850)	(18,008)	14,538
Revised Ending Unreserved Fund Balance	(82,074)	14,135	(42,715)	(60,723)	(46,185)

Key takeaway: Applying an ongoing 3% expenditure reduction in 2023 would reduce the operating deficits ~\$50m per year, and unreserved fund balance at 2024 YE improves to **(\$43 m)**.

GF Budget Financial Planning Options

GF Financial Plan Assuming Optimistic Forecast (15% prob)

<i>Amounts in \$1,000s</i>	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
Optimistic Revenue Forecast	14,533	35,080	35,731	39,190	37,086
Revised Operating Surplus (Deficit)	(83,678)	(82,147)	(71,388)	(30,075)	(626)
Revised Ending Unreserved Fund Balance	96,607	14,460	(56,928)	(87,003)	(87,630)

Key takeaway: Using the optimistic forecast (15% probability) would reduce the operating deficits to **(\$82 m)** & **(\$71 m)** in 2023 and 2024, respectively, and would increase the unreserved fund balance at 2024 YE to **(\$57 m)**.

However, unless the economic forecast changes meaningfully, given the probability noted above, there is significant risk in making this assumption as it would increase the likelihood that annual revenues would not meet or exceed budget expectations. Assuming the optimistic (or pessimistic) scenario is not recommended at this time and is presented for discussion purposes only.

GF Budget Financial Planning Options

GF Financial Plan Assuming Pessimistic Forecast (35% prob)

<i>Amounts in \$1,000s</i>	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
Pessimistic Revenue Forecast	(31,633)	(56,504)	(85,306)	(103,028)	(111,107)
Revised Operating Surplus (Deficit)	(129,844)	(173,732)	(192,424)	(172,294)	(148,820)
Revised Ending Unreserved Fund Balance	50,440	(123,291)	(315,715)	(488,009)	(636,829)

Key takeaway: Using the pessimistic forecast (35% probability) would increase the operating deficits to \$173 m & \$192 m in 2023 and 2024, respectively, and would increase the unreserved fund balance at 2024 YE to **(\$315 m)**.

Based on current economic forecasts, the pessimistic forecast is a more likely scenario than the optimistic (the baseline scenario that the Forecast Council approved in April continues to be the most likely scenario). Assuming the optimistic (or pessimistic) scenario is not recommended at this time and is presented for discussion purposes only.

Short-term / Temporary to Bridge Gap

<i>Amounts in \$1,000s</i>	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
Long-term/Structural Measure	-	70,000	70,000	70,000	70,000
Temporary Measures	-	48,000	48,000	-	-
Revised Operating Surplus (Deficit)	(98,211)	773	10,881	734	32,287
Revised Ending Unreserved Fund Balance	82,074	82,846	93,728	94,462	126,749

Key takeaway: Since the projected operating deficit declines in the future, targeted temporary measures, including reducing GF support to (and/or) from other restricted funds, could complement a smaller long-term structural change.

Long-term strategies could include some combination of reduction in ongoing expenditures, changes to restricted fund policies, or new revenues.

Short-term / Temporary to Bridge Gap – Option 2

<i>Amounts in \$1,000s</i>	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(98,211)	(117,227)	(107,119)	(69,266)	(37,713)
Long-term/Structural Measure	-		65,000	65,000	65,000
Temporary Measures	-	48,000	48,000	-	-
Revised Operating Surplus (Deficit)	(98,211)	(69,227)	5,881	(4,266)	27,287
Revised Ending Unreserved Fund Balance	82,074	12,846	18,728	14,462	41,749

Key takeaway: Since the projected operating deficit declines in the future, combining use of fund balance with targeted temporary measures, including reducing GF support to (and/or) from other restricted funds, could complement a smaller long-term structural change.

Long-term strategies could include some combination of reduction in ongoing expenditures, changes to restricted fund policies, or new revenues.

Next Steps

August:

- Second economic and revenue forecast update from OERF and CBO

September:

- Mayor's Proposed 2023-2034 Budget transmitted to City Council

November:

- Third economic and revenue forecast update during City Council's budget deliberations

Building from the GF financial planning framework discussed today, Central Staff will provide updates at each stage in the process.

Questions?

May 4, 2022

MEMORANDUM

To: Finance & Housing Committee
From: Tom Mikesell, Analyst
Subject: General Fund Financial Planning

On May 4, 2022, the Finance & Housing Committee will receive a briefing on General Fund (GF) financial planning. This presentation will cover:

- Background on multi-year financial planning and projections, including the role that the regular review of financial plans can play in financial sustainability analysis before, during, and after the budget process;
- A review of prior and current versions of the GF six-year financial plan, showing the impacts of recent economic updates, other financial adjustments, and pending decisions on the 2021 carryforward legislation and Revenue Stabilization Fund replenishment; and
- Looking ahead to the Fall 2022 budget process, a discussion of optional measures identified to enhance sustainability of the GF and /or provide for balance the near-term pending identification of longer-term solutions.

As will be discussed in this memorandum, since at least 2019, future GF expenditures have been projected to outpace GF revenues. This projected imbalance has become more pronounced in recent years, as the revenue challenges from the pandemic have been met with one-time funding solutions. Providing more consistent and ongoing review of the financial plan for the GF will help inform short- and long-term strategies to address this structural budget issue.

Background

Why do a Financial Plan?

[The Revised Code of Washington \(RCW\) 35.32A](#) requires a balanced budget. However, this requirement only applies to the year being budgeted, at the time that the budget is being first adopted, and furthermore is silent on future years. However, decisions made in the current year's budget have lasting implications for future years. Furthermore, the underlying economic conditions upon which those initial budget decisions were made will change in the future.

The way cities enhance fiscal sustainability of current-year budget decisions is using medium-term financial plans. These plans apply a set of publicly available assumptions to City expenditure and revenue data to project future revenues and expenditures and identify future financial challenges and opportunities. The result is a projection of the sustainability of current budget decisions.

This approach allows policymakers to center longer-term financial sustainability considerations in near-term budget choices. Typically, these plans are first considered prior to significant budget decisions. Then, as budget alternatives are being considered, they can be informed with an analysis of the effect on future year sustainability. Finally, after the budget is adopted, the financial plan memorializes the projections and provides a basis for comparisons as projections are revised.

Rather than a one-off, ad-hoc process, periodically reviewing the financial plan is optimal when it is a regular exercise embedded in the budget process, as it reveals how economic trends impact both growth in budgets and revenues. In some ways, the regular process of future financial planning is as important as the plans that are produced.

Historical Practice

The City Budget Office (CBO) currently prepares six-year financial plan for all City funds. However, rather than using the plan as a guide for financial sustainability discussions, the plans are included in an appendix to the budget book and the assumptions used to generate these plans are not disclosed. Historically the plans have not been used in public budget presentations or discussions about the City's budget.

As a first step towards bringing medium-term financial planning to the forefront in the City's budget decisions, the remainder of this memorandum will cover a high-level review of the City's GF financial plan, including both a look at the plan produced with the 2020 Adopted budget, prior to the COVID-19 pandemic, and a review of the latest plan, updated with the latest baseline revenue and expenditure information currently available.

GF Six-Year Financial Plan Review

As the council embarks on a more regular review of the financial plans to place longer-term financial sustainability considerations in near-term budget choices, it is important to keep in mind that financial planning is an ongoing and dynamic process. The information presented in the plan is a point-in-time forecast based on available data versus a guarantee of future outcomes.

Definitions

A review of a governmental multi-year financial plan traditionally relies on a set of important terms, including the following:

- Ongoing: A revenue or expenditure that, once approved, is assumed to be added to future year's budgets at either the same amount or with some amount of assumed growth. The amount in the future can grow, decline, or remain the same; the key element is that once approved it will part of the financial program going forward. By way of examples, the salary and benefit payments for a regular, full-time position are generally considered to be ongoing expenses. An example of an ongoing revenue would be regular property taxes, which are collected on an annual basis.
- One-time: A revenue or expenditure that is for a discrete purpose or activity, with a defined beginning and an end. A one-time revenue would include proceeds from a property sale, while an example of a one-time expenditure is the construction cost of a capital project (for example, a bridge).
- Growth Assumptions: These are the annual percentage rates that are applied to ongoing expenditures and revenues to account for the ways they grow, decline, or stay the same in future years. These assumptions can be based on some economic projection, for example population growth, inflation, income growth, etc., or they can be based on past trends.
- Operating Surplus (Deficit): This measures whether annual revenues are greater than annual expenditures (operating surplus) or lower than annual expenditures (operating deficit). This is the principal measure of a fund's financial sustainability.
- Planning Reserves: Amounts of unappropriated balances reflected in the financial plan by the Executive, primarily to reflect the estimated cost of labor agreements that are under negotiation, but to also include carryforwards, and potential legal and other obligations that may potentially become expenditures in the future.
- Fund Balance: This measures the level one-time resources in a fund after accounting for all actual and projected operations. There are two types discussed in this financial planning context, including:
 - Budgetary Fund Balance: The financial status of the fund comparing City Council's legally adopted budget decisions with available fund balances and anticipated revenues.
 - Unreserved Fund Balance: The remaining fund balance after accounting for automatic and proposed carryforwards and Executive-managed planning reserves that have not formally been adopted by the City Council.

Before discussing the financial plans, it is important to note that in most cases the underlying assumptions and methodologies used for the figures in this memorandum are consistent with the approach developed by CBO. Put another way, these plans are not engineered by Central Staff using independent methods and research, but rather represent a recasting and transparent discussion of work that is already performed by CBO.

It is also important to highlight that these plans only provide projections based on the costs to continue ongoing appropriations in the adopted budget in each scenario. In other words, one-time budget adds are not included in future years. Further, new and expanded programs are not added. As such, any new costs for programs that are not part of the adopted budget would be additive to the financial plans' projections.

2020 Adopted Budget GF Financial Plan

Passed by the City Council on November 25, 2019, [Ordinance 126000](#) approved a \$6.5 billion City budget for 2020, of which \$1.5 billion was for programs and services funded from the GF. Early in 2020, the City Budget Office published the [2020 Adopted Budget book](#), which memorialized and described the funding decisions in Ordinance 126000, and also included, on page 665, a six-year financial plan for the GF, covering the six year financial program from 2018 actuals to 2023 projected revenues and expenditures.

While the 2020 GF budget was balanced according to RCW 35.32A.060, beginning in 2020 and continuing in future years, the financial plan projected a deficit from City GF operations. Put another way, the projected annual revenues were lower than the projected annual expenditures. Using data from the 2020 Adopted Budget book financial plan¹, Table 1 shows this trend in the projected change in balance from operations in the “Operating Surplus (Deficit)” row, highlighted in blue.

Table 1. 2020 Adopted GF Budget Financial Plan

Amounts in \$1,000s	2020 Adopted	2021 Projected	2022 Projected	2023 Projected
Starting Budgetary Fund Balance	\$79,017	\$59,673	\$17,960	(\$20,154)
Revenues	\$1,482,686	\$1,464,667	\$1,510,029	\$1,555,797
Expenditures*	\$(1,502,030)	\$(1,506,380)	\$(1,548,143)	\$(1,592,251)
Operating Surplus (Deficit)	(\$19,344)	(\$41,713)	(\$38,114)	(\$36,454)
Ending Budgetary Fund Balance	\$59,673	\$17,960	(\$20,154)	(\$56,608)
Planning Reserves	(\$59,660)	(\$59,660)	(\$59,660)	(\$59,660)
Ending Unreserved Fund Balance	\$13	(\$41,700)	(\$79,814)	(\$116,268)
*For purposes of this table, beginning in 2021, the annual increase in ‘Reserves’ is shown as an expenditure, since these amounts in the financial plan represent projected expenditures, most notably in labor costs, that are intended to be budgeted in future years, but are not yet part of the budget due to legal or other considerations.				

As shown in Table 1, the 2020 Adopted Budget GF financial plan projected that, beginning in 2021 and continuing through 2023, ongoing GF operating expenditures were projected to outpace GF operating revenues by roughly \$39 million per year.

¹ <https://www.seattle.gov/city-budget-office/budget-archives/2020-adopted-budget>, ‘Fund and Funding Source Financial Plans’, page 665

Due to the economic and public health impacts from the Covid-19 pandemic which started in March 2020 and led to large negative impacts to revenues and increases to expenditures, the accuracy of these projections was never assessed. However, they reveal the projected underlying unsustainability of the GF at that point in time and provide a foundation against which to assess recent GF financial projections.

2022 Adopted GF Budget Financial Plan

Passed by the City Council on November 22, 2021, [Ordinance 126490](#) approved a total balanced City budget of \$6.5 billion, of which \$1.59 billion was for programs and services funded from the GF. Table 2 shows the fiscal parameters of the 2022 Adopted GF Budget, including the 2022 beginning balance, operating revenues, operating expenditures, operating surplus, reserves, and ending unreserved fund balance for the GF.

Table 2. 2022 Adopted GF Budget

Amounts in \$1,000s	2022 Adopted Budget
Beginning Budgetary Fund Balance	\$8,098
Operating Revenues	\$1,645,866
Operating Expenditures	(\$1,585,297)
Operating Surplus (Deficit)	\$60,569
Ending Budgetary Fund Balance	\$68,668
Planning Reserves	(\$66,093)
Ending Unreserved Fund Balance ¹	\$2,575
¹ Ending Unreserved balance includes \$2.3 million of Fiscal Year 2021 UASI grant revenues accepted in ORD 126469, the 2021 Year-end Grant Acceptance Ordinance, that are restricted for future appropriation according to the terms of the grant.	

As noted in the table, of the \$2.6 million ending unreserved fund balance, \$2.3 million is revenue from the Urban Areas Security Initiative (UASI) grants that were accepted in Ordinance 126494, the 2021 Year-end grant acceptance ordinance, but not allocated in 2021 pending additional information about the programs to be funded. Passed by the City Council on March 29, 2022, [Ordinance 126556](#) appropriated these grants in 2022.

Also, it is worth noting that the \$66 million in the Planning Reserves row includes amounts that are intended to be budgeted in future years but are not yet part of the budget due to legal or other planning considerations.

In April of this year, CBO published the [2022 Adopted Budget book](#), that memorialized and described the funding decisions in Ordinance 126490, and also included, on page 760, a six-year financial plan for the GF, covering the six year financial program from 2018 actuals to 2025 projected revenues and expenditures. As summarized in Table 3, that financial plan projected a operating deficit in the GF of approximately \$146 million in 2023 and 2024, and slightly improving in 2025 to \$119 million.

Table 3. 2022 Adopted GF Budget Financial Plan²

Amounts in \$1,000s	2022 Adopted	2023 Projected	2024 Projected	2025 Projected
Starting Budgetary Balance	\$8,098	\$68,668	(\$77,959)	(\$224,368)
Revenues	\$1,645,866	\$1,498,514	\$1,533,343	\$1,591,142
Expenditures	(\$1,585,297)	(\$1,645,140)	(\$1,679,752)	(\$1,710,550)
Operating Surplus (Deficit)	\$60,569	(\$146,627)	(\$146,409)	(\$119,409)
Ending Budgetary Fund Balance	\$68,668	(\$77,959)	(\$224,368)	(\$343,777)
Planning Reserves	(\$66,093)	(\$66,093)	(\$66,093)	(\$66,093)
Ending Unreserved Fund Balance	\$2,575	(\$144,052)	(\$290,461)	(\$409,869)

This is largely due to three factors, including:

- Pre-pandemic Financial Sustainability: As described in the 2020 Adopted Budget GF Financial Plan section and detailed in Table 1, the pre-pandemic GF financial plan indicated, on average, a pre-existing \$39 million annual deficit.
- Use of One-time Revenues: the 2022 Adopted budget includes the use of one-time revenue sources to balance, including \$85 million of payroll expense tax revenues from the JumpStart Fund, which pursuant to [Ordinance 126393](#)- passed by the City Council on July 19 2021, are allowed to be transferred to the GF in any year that other revenues to the GF are projected to be lower than \$1.510 billion, (the amount of GF revenues anticipated in 2021 according to the pre-pandemic GF six year financial plan produced with the 2020 Adopted Budget), and \$66.3 million of Coronavirus Local Fiscal Recovery funds.
- Revenues Below Pre-Pandemic Trends: The GF financial projections included with the 2022 Adopted Budget indicate some City revenues remain below pre-pandemic projections for 2022 and beyond.

This six-year GF financial plan was based on the Fall 2021 economic and revenue forecasts from CBO. Further, to show a plan to replenish the City’s Fiscal Reserves to the levels required by the City’s fiscal policies after approved uses in recent years, it also included assumptions about planned transfers to the Emergency Fund (EF) and the Revenue Stabilization Fund (RSF), as shown in Table 4.

Table 4. Financial Plan Assumed Transfers to Fiscal Reserves

Amounts in \$1,000s	2022 Adopted	2023 Projected	2024 Projected	2025 Projected	Total
EF	\$10,000	\$10,000	\$10,000	\$10,000	\$40,000
RSF	\$15,400	\$15,400	\$15,400	\$15,400	\$61,200
Total	\$25,400	\$25,000	\$25,000	\$25,000	\$100,000

² A six-year display, including 2020 Actual and 2021 Revised Budget columns, is included in ‘Attachment 1. Expanded six-year GF Financial Plans’.

Based on these assumed transfers, at the end of 2025 the EF and RSF balances would be \$73.7 million and \$67.2 million, respectively, which in total would be 93 percent of the policy levels stated in the City’s fiscal policies. This is shown in Table 5.

Table 5. Fiscal Reserves Current and Projected Funding Status

Amounts in \$1,000s	2021 Ending Balance	Assumed Transfers to Reserves: 2022-2025	2025 Projected Ending Balance	2025 Projected Policy Level	% of Policy
EF	\$33,659	\$40,000	\$73,659	\$79,831	93%
RSF	\$6,042	\$61,200	\$67,242	\$70,416	97%
Total	\$39,701	\$100,000	\$139,701	\$150,247	93%

2022 Revised GF Budget Financial Plan

This section of this memorandum will review updates to financial actuals and assumptions and conclude with a 2022 Revised six-year GF financial plan, including new estimates of operating surplus/deficits, and ending fund balances.

Updates to 2021 Actuals

Since the passage of the 2022 Budget, a final assessment of 2021 revenues and expenditures has been completed by the Department of Finance and Administrative Services and CBO. This update materially impacts the one-time resources available in 2022.

- 2021 revenues and expenditures: As shown in Tables 2 and 3, when the 2022 Budget was adopted, it started from an assumed beginning budgetary fund balance (beginning balance) of approximately \$8 million. This beginning balance estimate was based on revised estimates of 2021 revenue and expenditure activity developed by CBO, as updated based on City Council amendments to [Ordinance 126470](#), the 2021 year-end supplemental budget ordinance. Based on actual 2021 revenues and expenditures, the 2021 ending budgetary fund balance (ending balance, which is the same thing as the 2022 beginning balance) increases to \$273.3 million, as shown in the blue shaded row in Table 6.

Table 6. 2021 Revenues and Expenditures –Actuals to Revised

Amounts in \$1,000s	2021 Revised	2021 Actuals	Variance
Starting Budgetary Balance	\$53,394	\$53,394	-
Revenues	\$1,718,938	\$1,752,450	\$33,512
Expenditures	(\$1,764,233)	(\$1,532,517)	\$231,716
Operating Surplus (Deficit)	(\$45,296)	\$219,933	\$265,229
Ending Budgetary Fund Balance	\$8,099	\$273,327	\$265,229
Planning Reserves	(\$21,641)	(\$166,153)	(\$144,512)
Ending Unreserved Fund Balance	(\$13,542)	\$107,174	\$120,716

In addition to the sizable increase in budgetary fund balance, there are other amounts in Table 6 that are specifically important from a financial planning perspective, including:

- **2021 Increases to Reserves:** The amount being held in reserves increased by \$144.5 million. This increase in reserves is to account for \$182 million of unspent 2021 appropriations, offset by \$37.3 million of associated grant revenues that have not yet been received, but are planned to be spent in 2022:
 - **Automatic carryforwards** totaling \$96.7 million that reflect encumbrances and other appropriations that do not require legislative action to continue in the budget until fully spent or abandoned, such as grants, capital budgets, and other appropriations adopted with non-lapsing provisions. As mentioned, there is also \$37.3 million of grant revenue associated with these appropriations that has not yet been received and which will also be added to the 2022 Revised Budget revenues.
 - **Proposed legislated carryforwards** totaling \$85.3 million, reflecting unspent amounts from 2021 that require City Council authorization to be added to the 2022 Revised Budget. CB 120316, scheduled for discussion and possible vote at the May 18th Finance & Housing Committee, would formally reappropriate those amounts, of which \$27 million is for Participatory Budgeting, \$36 million is for the Equitable Development Initiative, and \$8 million is for emergency rental assistance. For the purposes of the updated financial plan, this full amount is assumed to be legislated in 2022.
 - **2021 Expenditure Variance:** After accounting for the proposed carryforward amounts previously discussed, there is a 2021 GF underspend of approximately \$49 million, which is 3.15 percent of the 2021 Revised GF budget, adjusted for carryforwards, as shown in the bottom row of Table 7:

Table 7. 2021 GF Budget Underspend

Amounts in \$1,000s	Total
2021 Revised Budget Expenditures	(\$1,764,233)
2021 Actual Expenditures	(\$1,532,517)
Variance	\$231,716
Less: 2021 Appropriation Carryforwards	(\$181,997)
Adjusted 2021 GF Underspend	\$49,934
2021 Adjusted Revised Budget	(\$1,582,451)
<i>2021 Underspend Percentage</i>	<i>3.15%</i>

- **Ending Unreserved Fund Balance:** As shown in Table 6, the 2021 unreserved fund balance increased by \$120 million. [Ordinance 123743](#), the fiscal policy for the RSF, requires that 50 percent of unplanned unreserved GF fund balance at year-end be deposited into the RSF. Based on CBO estimates, implementing this provision from Ordinance 123743 would deposit \$55.7 million to the RSF in 2022. This would fully fund the RSF to its policy level in 2022 and would reduce

the projected transfers to the RSF in future years from \$15 million per year, as shown in Table 4, to approximately \$2.8 million per year. This action would require legislative authorization, but for the purposes of the plan is assumed to be approved in 2022.

Updates to Assumptions

Since the passage of the 2022 Budget, new projections of economic growth have been developed. These projections provide the foundation for updates to GF revenue growth projections and potential cost increases.

- 2022 through 2026 Revenue Forecast: At its April 20, 2022, meeting, the Finance & Housing Committee received an updated economic and revenue forecast from the [Office of Economic and Revenue Forecasts \(OERF\)](#) and the [CBO](#). Relying on the baseline economic scenario, as recommended by the OERF Director and endorsed by the Forecast Council, these updated projections indicated an additional \$25 million of GF revenue in 2022.

In addition, the update provided the first of six specific revenue projections for 2023-2024³, indicating total forecasted GF revenues of \$1.525 billion and \$1.568 billion in 2023 and 2024, respectively. Table 8 compares the April 2022 revenue forecast projections with the amounts included in the 2022 Adopted Budget, which were based on November 2021 projections.

Table 8. GF Revenue Forecast Comparisons

Amounts in \$1,000s	2022 Revised*	2023 Projected	2024 Projected	2025 Projected**
November 2021	\$1,645,866	\$1,498,514	\$1,533,343	\$1,591,142
April 2022	\$1,708,670	\$1,525,719	\$1,568,507	\$1,639,317
Variance	\$62,804	\$27,205	\$35,164	\$48,175
<p>* The 2022 Revised forecast number in the April 2022 row includes \$37.3 million of expected, but not yet received grant revenues associated with 2021 automatic carryforwards. This amount was not included in the April 2022 revenue forecast update but, according to CBO, is revenue that is expected in 2022.</p> <p>**While the forecast presentation only formally covered 2022 through 2024, projections for 2025 and 2026 were provided to CBO and Central Staff for the purposes of developing the GF financial plan. 2025 is included to compare with the prior financial plan</p>				

³ Economic and revenue updates are delivered in April, August, and November of each year.

- 2022 through 2026 Inflation Update

Noting several global causes, the OERF presentation also highlighted a large near-term increase in consumer inflation, followed by elevated inflation projections in future years compared to the prior model. As noted during the OERF presentation, these inflation increases could lead to higher current and projected City costs that offset some of the revenue increase.

It is important to clarify that, while inflation impacts both revenues and expenditures, it is not the only growth factor. Put another way, it is not so easy to say that, solely because of inflation increasing by one percent, both City revenues and expenditures increase by one percent. Other considerations, including but not limited to employment and population trends, wage growth, business sector composition, and consumer preferences will impact revenue growth, and each will be differentially impacted by inflationary forces. On the expenditure side, inflation will impact growth projections differently as well. For example, CPI inflation is only explicitly assumed to impact internal services, including information technology, facilities, fleet, and administration costs in future years. Labor contract increases in the planning reserves are not disclosed due to contracts under negotiation. While these represent the bulk of the budget, there are some items, such as professional services contracts and transfers, that are policy-focused and not explicitly grown in the model.

Table 9 compares the inflation estimates, based on the Consumer Price Index for Urban Consumers (CPI-U) in the Seattle Metropolitan Statistical Area, used in the 2022 GF Adopted Budget financial plan with the recent update from the OERF.

Table 9. CPI-U Inflation Projection Comparisons⁴

	2023	2024	2025	2026*
2022 Adopted Plan	3.0%	4.0%	2.3%	n/a
April 2022 Forecast	3.8%	2.7%	2.3%	2.4%
Variance	0.8%	1.3%	0%	n/a
*The 2022 Adopted Budget six-year financial plan only includes projections through 2025.				

As shown in the table, 2023 and 2024 are showing moderate increases in price growth, with inflation returning to pre-pandemic trends in 2025.

⁴ Does not include the additional 1% growth factor that is also added to both the 2022 adopted and revised financial plans.

It is important to note that the largest revision to inflation is in 2022, as shown in Table 10:

Table 10. Changes to CPI-U in CBO/OERF Regional Economic Model

CBO/OERF Regional Economic Model	2022
August 2021	3.2%
April 2022	7.0%
Variance	3.8%

Since the starting point for expenditure growth projections in the financial plan is the 2022 Revised Budget (adjusted for ongoing appropriation changes and one-time spending), which does not include this inflation increase, the projected increases in future years would be potentially understated without accounting for it in some way.

CBO’s 2023-2024 ‘baseline’ process with departments, which will incorporate this type of change through an assessment of current year operations, is underway. This is the stage in the budget process where current-year operational costs and efficiencies can be analyzed and included as baseline and technical budget requests in the Mayor’s 2023-2024 Proposed Budget. While it is likely that consumer price inflation will have an impact in current year costs, it is also possible that operational efficiencies, such as recalculated facilities costs from employee alternative work arrangements and lower travel costs from enhanced online communication capabilities, can offset some of the impact.

Lacking information from the baseline process, but to acknowledge that there will likely be an impact, the revised financial plan for the GF assumes an additional 3.8 percent inflation growth, added to the 2023 CPI-U estimate used in the financial plan model, bringing the revised 2023 inflation assumption to 8.6 percent. It is worth noting that this is primarily intended to adjust the projections for uncertainty about the baseline process, and not directive as to what the future cost growth ‘should’ be.

As a final note, the 2022 Adopted and Revised models include an additional 1 percent per year for all inflated administrative expenditure categories. This additional factor provides an added level of buffer for uncertain projections and is approximately consistent with the metropolitan area population growth projections of 0.9 percent per year from the baseline regional economic forecast model.

- Reserves
Finally, to account for contingent factors CBO is analyzing, they have increased the level of planning reserves by approximately \$27 million in 2022, to a total reserve of \$93 million. This is a one-time adjustment based on an initial estimate of potential future costs and is included to be consistent with CBO’s planning assumptions.

The 2022 Revised GF Budget Financial Plan, incorporating the 2021 actual budgetary data and revised revenue, cost growth and reserves assumptions, is shown in Table 10⁵. As show in the table, these changes result in a lower projected deficit and a smaller negative unreserved GF fund balance in all years of the plan, as compared to the 2022 Adopted Budget’s financial plan.

Table 10. 2022 Revised GF Budget Financial Plan

Amounts in \$1,000s	2022 Revised ¹	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Starting Budgetary Balance	\$273,327	\$175,116	\$57,889	(\$49,230)	(\$118,495)
Revenues	\$1,708,670	\$1,525,719	\$1,568,507	\$1,639,317	\$1,703,982
Expenditures	\$1,806,881	\$1,642,946	\$1,675,626	\$1,708,582	\$1,741,695
Operating Surplus (Deficit)	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Ending Budgetary Fund Balance	\$175,116	\$57,889	(\$49,230)	(\$118,495)	(\$156,208)
Planning Reserves	(\$93,043)	(\$93,043)	(\$93,043)	(\$93,043)	(\$93,043)
Ending Unreserved Fund Balance	\$82,074	(\$35,154)	(\$142,272)	(\$211,538)	(\$249,251)

¹ 2022 Revised Expenditures include \$221 m of one-time carryforward and reserve replenishments items added through proposed supplementals. These are fully funded through carryforward 2021 fund balance and \$37 m of anticipated grants.

GF Budget Financial Planning Options

Based on the previously discussed assumptions, the GF Budget faces a projected \$115 million operating deficit in 2023, though the deficit decreases in future years of the forecast. Further, after accounting for \$93 million in planning reserves, the unreserved fund balance would decline to (\$247) million by 2026. While it is encouraging that these adjustments result in an improvement in the underlying financial condition of the GF, assuming the previously discussed economic assumptions are accurate, some combination of corrective measures will be required.

Before discussing possible balancing options, it is important to reiterate that the financial planning projections only assume funding for the ongoing GF appropriations in the 2022 Adopted GF budget. Items added on a one-time basis in 2022, shown in Attachment 2, are not assumed to continue in 2023 and beyond. Further, in future years, there is no explicit provision for new and expanded programs from the GF.

The following are some alternative assumptions and policy actions, which alone or in combination can alleviate some or all of the projected operating deficit and accumulated negative unreserved balance. These can generally be categorized as long-term/structural, or short-term strategies, with varying impacts on the deficit and unreserved fund balance.

⁵ A six-year display, including 2021 Actual and 2022 Adopted Budget columns, is included in ‘Attachment 1. Expanded Six-year GF Financial Plans’.

Long-term/ Structural: These options involve structural funding changes to revenues and/or expenditures, with the combined effect of reducing the annual operating deficit and improving the ending unreserved fund balance, including:

- **‘Right-sizing’ GF budgets** to better align actual expenditures with appropriations and/or reductions in services. As shown in Table 7, 2021 actual expenditures were approximately three percent below appropriations. As shown in Table 11, a three percent annualized reduction in cost would reduce ongoing expenditures by approximately \$49 million per year and would improve the unreserved ending fund balance projection by \$203 million. This would impact services to the extent that reductions are not due to natural efficiency savings.

Table 11. GF Financial Plan Assuming a 3% Expenditure Reduction

Amounts in \$1,000s	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Reduce Expenditures (3%)		\$49,288	\$50,269	\$51,257	\$52,251
Revised Surplus (Deficit)	(\$98,211)	(\$67,939)	(\$56,850)	(\$18,008)	\$14,538
Revised Ending Unreserved Fund Balance	\$82,074	\$14,135	(\$42,715)	(\$60,723)	(\$46,185)

- **Use the optimistic revenue forecast** for the budget, with the assumption that return to work and improving tourism will lead to revenue results that outperform the baseline forecast. Though the probability assigned to this forecast is only 15 percent, relying on this forecast scenario would add an additional \$35 million to the annual revenue projections in 2023 and 2024, with small increases thereafter. As shown in Table 11, this would decrease the ongoing deficit by \$35-39 million per year million per year and would improve the 2026 projected unreserved ending fund balance projection \$161 million. However, unless there is a change in upcoming economic forecasts, given the probability noted, there is significant risk in making this assumption as it would increase the likelihood that annual revenues would not meet or exceed budget expectations.⁶

⁶ On April 8, 2022, the Office of Economic and Revenue Forecasts recommended, and the Forecast Council affirmed, using the baseline scenario; that becomes the official forecast at this point in time per Chapter 3.44 of the Seattle Municipal Code (SMC). How the optimistic or pessimistic forecast would change the projections in the GF is an important planning exercise, illustrating how positive or negative future economic conditions could impact the City’s GF. This is not a recommendation at this time to deviate from the Forecast Council’s decision, however, it is worth noting that, per Section 3.44.010 of the SMC, the Mayor may in proposed budgets, or the City Council may in adopting budgets, deviate from the official forecasts.

Table 12. GF Financial Plan Assuming Optimistic Revenue Forecast Scenario

Amounts in \$1,000s	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Optimistic Revenue Forecast	\$14,533	\$35,080	\$35,731	\$39,190	\$37,086
Revised Surplus (Deficit)	(\$83,678)	(\$82,147)	(\$71,388)	(\$30,075)	(\$626)
Revised Ending Unreserved Fund Balance	\$96,607	\$14,460	(\$56,928)	(\$87,003)	(\$87,630)

- As noted, the probability of this scenario is 15 percent, in contrast to the pessimistic scenario probability of 35 percent (the baseline revenue probability assumption in the financial plan is 50 percent). For purposes of comparison, using the pessimistic scenario would increase the annual deficit in each year from 2022 through 2026, and decreases the unreserved fund balance projection by \$387 million by 2026. Compared to the baseline, this would increase the likelihood that unnecessary budget reductions are made.

Table 13. GF Financial Plan Assuming Pessimistic Revenue Forecast Scenario

Amounts in \$1,000s	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Pessimistic Revenue Forecast	(\$31,633)	(\$56,504)	(\$85,306)	(\$103,028)	(\$111,107)
Revised Surplus (Deficit)	(\$129,844)	(\$173,732)	(\$192,424)	(\$172,294)	(\$148,820)
Revised Ending Unreserved Fund Balance	\$50,440	(\$123,291)	(\$315,715)	(\$488,009)	(\$636,829)

- Permanently change restricted fund policies** to provide either an ongoing annual contribution to the GF or reduce the annual contribution to other funds from the GF, with an offsetting reduction to the service capacity of the impacted fund(s). This could include, for example, changes the spending categories or allowed transfer to the GF included in the fund policies for the Short-term Rental Fund or the JumpStart Fund, or changing the policies that guide replenishing the fiscal reserves (the RSF and the EMF).

Short-term/Temporary: These options involve one-time funding changes to bridge the gap in 2023 and 2024 allowing for the identification of longer-term structural solutions, such as a new progressive revenue source and/or improvement in the economic situation.

- Temporarily change restricted fund policies** to provide either temporary support to the GF or reduction to the annual contribution to other funds from the GF, with an offsetting temporary reduction to the service capacity of the impacted fund(s). This strategy would best be employed in an approach that recognizes that the projected operating deficit improves substantially in 2025 and 2026, as shown in Table 14.

Table 14. GF Financial Plan Assuming Mix of Structural and Temporary Measures

Amounts in \$1,000s	2022 Revised	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Operating Surplus (Deficit)	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Long-term/ Structural Measures	-	\$70,000	\$70,000	\$70,000	\$70,000
Temporary Measures	-	\$48,000	\$48,000	-	-
Revised Surplus (Deficit)	(\$98,211)	\$773	\$10,881	\$734	\$32,287
Revised Ending Unreserved Fund Balance	\$82,074	\$82,846	\$93,728	\$94,462	\$126,749

Next Steps

This review of the GF financial plan is intended to provide information on the GF balancing situation as the economy emerges from the pandemic, and for context as committee members deliberate on appropriations bills and engage with the Executive on fiscal policy issues. In August, the Finance & Housing Committee will receive the second economic and revenue forecast update from OERF and CBO, followed by the Mayor’s Proposed 2023-2034 Budget in September. A final revenue update will be provided during the Council’s budget deliberations, which will establish the final fiscal parameters for the 2023-2024 Budget. Using the GF financial planning framework established in this memorandum, Central Staff will provide updates at each stage in the process.

Attachments:

1. Expanded Six-year GF Financial Plans
2. 2022 Adopted Budget One-time Appropriations

cc: Aly Pennucci, Deputy Director

Attachment 1. Expanded Six-year GF Financial Plans

Expanded Table 3. 2022 Adopted Budget GF Financial Plan Six-year Display (2020 Actual to 2025 Projected)

Amounts in \$1,000s	2020 Actual	2021 Revised	2022 Adopted	2023 Projected	2024 Projected	2025 Projected
Starting Budgetary Balance	\$122,741	\$53,394	\$8,099	\$68,668	(\$77,959)	(\$224,368)
Revenues	\$1,378,082	\$1,718,938	\$1,645,866	\$1,498,514	\$1,533,343	\$1,591,142
Expenditures ¹	(\$1,447,429)	(\$1,764,233)	(\$1,585,297)	(\$1,645,140)	(\$1,679,752)	(\$1,710,550)
Operating Surplus (Deficit)	(\$69,347)	(\$45,296)	\$60,569	(\$146,627)	(\$146,409)	(\$119,409)
Ending Budgetary Fund Balance	\$53,394	\$8,099	\$68,668	(\$77,959)	(\$224,368)	(\$343,777)
Planning Reserves	(\$65,613)	(\$21,641)	(\$66,093)	(\$66,093)	(\$66,093)	(\$66,093)
Ending Unreserved Fund Balance	(\$12,219)	\$1	\$2,575	(\$144,052)	(\$290,461)	(\$409,869)

¹2020 expenditures include a \$13.8 million balance sheet adjustment.

Expanded Table 10. 2022 Revised GF Financial Plan Six-year Display (2021 Actual to 2026 Projected)

Amounts in \$1,000s	2021 Actual	2022 Adopted	2022 Revised ¹	2023 Projected	2024 Projected	2025 Projected	2026 Projected
Starting Budgetary Balance	\$53,394	\$8,099	\$273,327	\$175,116	\$57,889	(\$49,230)	(\$118,495)
Revenues	\$1,752,450	\$1,645,866	\$1,708,670	\$1,525,719	\$1,568,507	\$1,639,317	\$1,703,982
Expenditures	(\$1,527,333)	(\$1,585,297)	(\$1,806,881)	(\$1,642,946)	(\$1,675,626)	(\$1,708,582)	(\$1,741,695)
Operating Surplus (Deficit)	\$219,933	\$60,569	(\$98,211)	(\$117,227)	(\$107,119)	(\$69,266)	(\$37,713)
Ending Budgetary Fund Balance	\$273,327	\$68,668	\$175,116	\$57,889	(\$49,230)	(\$118,495)	(\$156,208)
Planning Reserves	(\$21,426)	(\$66,093)	(\$93,043)	(\$93,043)	(\$93,043)	(\$93,043)	(\$93,043)
Ending Unreserved Fund Balance	\$107,885	\$2,575	\$82,074	(\$35,154)	(\$142,272)	(\$211,538)	(\$249,251)

¹ 2022 Revised Expenditures include \$221 m of one-time carryforward and reserve replenishments items added through proposed supplementals. These are fully funded through carryforward 2021 fund balance and \$37 m of anticipated grants.

Attachment 2. 2022 Adopted Budget One-time Appropriations

Budget Action	2022 One-Time Appropriation
ARTS-003-B-002-2022 - Rescind ARTS-003-B-001, add \$1 million GF to ARTS for organizations that did not qualify for Shuttered Venue Operators Grant funding	1,000,000
ARTS-004-B-001 - Add \$50,000 GF to ARTS to fund restoration and repainting of a community mural at N 63rd St. under Aurora Ave. and locating a free graffiti wall	\$50,000
ARTS-CLFR3 - Individual Artist Relief and Workforce Development	\$1,500,000
CBO-010-B-001 - Errata Corrections to the Proposed Budget and CIP	\$1,343,442
CEN-920 - General Fund Support	\$1,200,000
CSCC-002-B-001 - Add \$400,000 GF and two Strategic Advisor 2 positions to the CSCC to develop an implementation plan and response protocols for contracted low-acuity 9-1-1 emergency response	\$400,000
CSCC-102 - Fund a Technical and Operational Study for 911 Center	\$150,000
DEEL-001-B-001 - Add \$375,000 GF to DEEL for programming for Black girls and young women and Black queer and transgender youth	\$375,000
DEEL-006-A-001 - Add \$500,000 GF to DEEL to expand mental health services in schools	\$500,000
DEEL-901 - ECEAP Budget Adjustments	\$0
DON-001 - Health Care Reconciliation - Leadership & Administration	\$0
DON-001-B-001 - Add \$800,000 GF to DON to support planning for the Chinatown/International District	\$800,000
DON-003 - Expenditure to Revenue Reconciliation	(\$140,057)
DON-003-B-001 - Add \$200,000 GF in DON for a Guaranteed Basic Income Program and impose a proviso	\$200,000
DON-004 - Health Care Reconciliation - Community Building BSL	\$0
DON-005 - Other budget neutral baseline accounts clean up	\$0
DON-006 - True up of retirement accounts	\$34,430
DON-105 - Provide Resources For Redistricting	\$275,000
DON-901 - Centralize Budget for Language Access for Certain Programs in DON	\$0
ERF-101 - Office Setup and Operations	\$24,000
FAS-001-A-001 - Add \$200,000 in FAS for study of public-safety staffing on waterways	\$200,000
FAS-005-C-001 - Add \$110,000 GF to FAS and \$250,000 GF and 1.0 FTE senior grants and contracts specialist to HSD for a Victim Compensation Fund and community-based organizational support	\$195,000
FAS-2022-103 - Temporarily Defund Vacant Tax Positions	(\$766,014)
FAS-2022-110 - American Medical Response Study	\$25,000
FAS-2022-208 - 2027 Funding for Ongoing Program	\$0
FG-001-D-001-2022 - Rescind FG-001-C-001, restore JumpStart Fund expenditures to the amounts and purposes proscribed in Ordinance 126393, reallocate one-time federal Coronavirus Local Recovery Fund resources for GF Revenue replacement, acknowledge 2021 carryforward to support community-led investments, and imposes two provisos	\$7,762,218
FG-003 - Restore General Fund Support to Library	(\$700,000)
FG-003-A-001-2022 - Add \$620,000 (multiple funds) to FG Reserves to fund a Juneteenth holiday	\$500,000
FG-005-B-001 - Add \$1 million GF to FG Reserves for two permanent public toilets, and add \$400,000 GF to SPU for temporary portable toilets	\$1,400,000
FG-007-A-001 - Recognize CBO November Forecast Update	\$2,112,075
FG-110 - Human Services Department Finance Support Reserve	\$600,000
FG-900 - Finance General Appropriations to Special Funds	(\$3,758,284)
HOM-005-C-001-2022 - Add \$675,000 Emergency Solutions Grant COVID funding, \$225,000 GF ongoing, and \$500,000 GF in one-time funding to HSD to create and operate new safe parking lots	\$500,000
HOM-008-A-001-2022 - Add \$100,000 GF in one-time funding to HSD to expand homelessness day center services	\$100,000
HOM-016-A-001-2022 - Add \$380,000 GF in one-time funding to HSD for improvements and expansion of a tiny house village	\$380,000
HSD-001-C-001 - Add \$5.6 million GF to HSD for one-time appreciation pay for service providers and for capacity building and impose provisos	\$5,600,000
HSD-002-B-001 - Add \$600,000 GF to HSD for a comparable worth analysis of human services jobs	\$600,000
HSD-005-C-001 - Add \$5.1 million to HSD to sustain 2021 levels of food and nutrition program funding, add 1.0 FTE Senior Grants and Contracts Specialist (term-limited), and impose a proviso	\$3,344,457
HSD-007-A-001-2022 - Add \$200,000 GF to HSD for hybrid meal delivery program for seniors	\$200,000
HSD-014-B-001 - Add \$1.0 million GF to HSD for a senior center and clinic	\$1,000,000
HSD-016-A-001 - Add \$250,000 GF to HSD for the expansion of a community facility in Lake City	\$250,000

Attachment 2. 2022 Adopted Budget One-time Appropriations

Budget Action	2022 One-Time Appropriation
HSD-025-C-001 - Add \$50,000 GF to HSD to contract with an organization to survey national best practices on interrupting gun violence	\$50,000
HSD-027-A-001 - Add \$100k to HSD to expand a fresh produce program serving the Central District	\$100,000
HSD-050-C-001 - Add \$500,000 GF in one-time funding to HSD to expand behavioral health services	\$500,000
HSD-055-A-001 - Add \$500,000 GF in one-time funding to HSD for a community health center addressing health disparities in the BIPOC community	\$500,000
HSD-056-A-001 - Add \$200,000 GF to HSD for a survey to inform the design of a new behavioral health facility	\$200,000
HSD-057-A-001 - Add \$100,000 GF to HSD for a new health clinic in the Lake City neighborhood	\$100,000
HSD-119 - Regional Peacekeepers Collective	\$1,500,000
ITD-001-B-001 - Add \$250,000 GF to ITD for a Digital Navigators Program	\$250,000
ITD-002-A-001 - Add \$300,000 GF to ITD for the Technology Matching Fund	\$300,000
ITD-005-A-001 - Add \$300,000 GF to ITD for Multi-factor Authentication	\$300,000
LAW-104A - Fully Staff Current Pre-File Diversion Program	\$2,000
LAW-105 - Electronic Discovery Staffing	\$4,000
LAW-106 - Civil Division Attorney Staffing	\$6,000
LAW-108 - Fund Human Resources Manager	\$2,000
OCR-002-A-001 - Add \$120,000 GF to OCR for a domestic violence (DV) community expert and stakeholder workgroup	\$120,000
OED-001 - Health Care Technical Adjustment	\$0
OED-006-A-001-2022 - Add \$300,000 GF to OED to support economic opportunities for refugee and immigrant women	\$300,000
OED-104 - Permit Fee Reform Racial Equity Toolkit	\$50,000
OED-CLFR7 - Maritime Workforce Development	\$500,000
OEM-001-A-001 - Add \$100,000 GF to OEM for a community climate resilience plan	\$100,000
OEO-943 - Space Sublease Costs	\$49,200
OH-006-A-002 - Add \$200,000 GF to OH for the Home for Good Program	\$200,000
OH-007-B-002 - Add \$250,000 GF to OH for pre-development costs for an affordable housing project at North Seattle College	\$250,000
OH-100-GND - Single Family Oil Heat Conversion	(\$123,461)
OH-102 - Fine Revenue for Multifamily Electrification	\$61,500
OH-104 - Transportation Network Company Tax Revenue Authority	\$1,300,000
OH-CLFR3 - Workforce Development; Affordable Housing and Homeless Service Providers	\$750,000
OIG-100 - Staffing Surveillance Ordinance Requirements	\$20,000
OIG-101 - Additional Investigator for OPA Oversight	\$10,000
OIRA-CLFR1 - Re-employment Pathways for Immigrants and Refugees	\$250,000
OPCD-001-B-001 - Add \$545,000 GF and 1.0 FTE Strategic Advisor 1 to OPCD for the Comprehensive Plan update and impose a proviso	\$545,000
OPCD-006-B-001 - Add \$180,000 GF to OPCD for Duwamish sustainability projects	\$180,000
OPCD-100 - Comprehensive Plan Major Update – Phase 2	\$220,000
OPCD-101 - Regional Growth Center Subarea Planning	\$150,000
OPCD-108 - Equitable Zoning Outreach	\$25,300
OSE-CLFR22-1 - Clean Energy Pre-Apprenticeship Scholarships	\$1,000,000
OSE-DVP22-1 - Duwamish Valley Business Relief and Response	\$75,000
OSE-DVP22-2 - Greening Industrial Properties in the Duwamish Valley	\$300,000
SCL-001-B-001 - Add \$160,00 GF to SCL for installation of new streetlights an impose a proviso	\$160,000
SDCI-007-C-001 - Add \$145,000 GF to SDCI for consultant support for a rental market study	\$144,814
SDCI-010-A-001 - Add \$1.5 million GF and 1.5 FTE Code Compliance Analysts to SDCI to implement the economic displacement relocation assistance ordinance	\$1,273,520
SDCI-109 - Unreinforced Masonry (URM) Program	\$101,156
SDHR-900 - Move Budget from Temporary Placeholder to Official Project	\$987,291
SDOT-112 - TNC Tax Funding for ReSET O&M Programs	\$150,000
SDOT-150 - Planning and Street Use Reductions	\$575,399
SDOT-151 - Transit and Mobility Reductions	(\$1,078,114)
SDOT-152 - Transportation Operations Reductions	(\$2,056,703)
SDOT-154 - Program Reductions	(\$300,506)
SDOT-202 - CIP Adjustment	\$1
SDOT-209 - TNC Tax Funding for ReSET Capital Programs	\$400,000

Attachment 2. 2022 Adopted Budget One-time Appropriations

Budget Action	2022 One-Time Appropriation
SDOT-210 - Center City Connector Project Development Update	\$2,400,000
SDOT-901-A-003-2022 - Rescind SDOT-901-A-002-2022, add \$2.4 million REET II Capital Fund and cut \$2.4 million GF in SDOT to make GF available for other budget priorities	(\$2,385,992)
SFD-001-A-002 - Add \$1.5M GF to SFD for 20 additional firefighter recruits	\$1,466,000
SFD-104 - Triage Team Response Program	\$2,150,000
SFD-302 - Safety and Training IT System Upgrade	\$318,000
SFD-303 - Fire Incident Reporting IT System Upgrade	\$499,000
SMC-005 - MCIS License Costs	\$42,289
SMC-104 - RSJI Training and Leadership Development	\$168,000
SMC-106 - MCIS 2.0 Support - Sunset Positions	\$0
SPD-100 - Office of Police Accountability Video Analyst	\$5,000
SPD-101 - Reduction for Community Safety Investments	(\$3,650,000)
SPD-102 - Technology Investments	\$0
SPD-103 - Community Service Officer Expansion	(\$116,274)
SPD-104 - Hiring and Retention Incentives	\$0
SPD-903 - Adjustment for One-Time Budget Changes	\$0
SPL-001-A-001 - Add \$99,000 GF to SPL for hotspot devices	\$99,000
SPL-002-A-002 - Add \$1.7 million GF to the SPL to provide air conditioning as a climate adaptation measure in the Northeast and Southwest Branch Libraries	\$1,742,730
SPR-002-A-002 - Add \$171,000 to SPR to fund an after-school program for resettled children who are predominately low-income living at or near Magnuson Park	\$171,000
SPR-007-A-002 - Add \$188,000 GF to SPR to support community involvement in the Garfield Super Block Project	\$188,000
SPR-199 - Rise Above	\$200,000
Grand Total	\$41,056,417