

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
LEG	Aly Pennucci	n/a

** 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 adoption of the 2023 Budget and endorsement of the 2024 Proposed Budget; providing temporary flexibility on use of certain City funds to balance the City’s budget over the 2023-2024 biennium; amending Section 5.38.055 of the Seattle Municipal Code; amending Resolution 31914; amending Ordinance 125872; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: This legislation would allow flexibility on the use of these funds only to balance the 2023-2024 biennium. Specifically, the temporary provisions would allow for the following:

1. JumpStart Fund:
 - a. Allow a transfer from the JumpStart Fund of to the GF of \$100.6 million in 2023 and \$85 million in 2024, using \$29.4 millions of higher than anticipated 2022 revenues, \$71 million of 2023 projected revenues, and \$84 million of 2024 projected revenues, to support GF expenditures over this biennium.
 - b. Allow use of the JumpStart Fund temporarily to prevent certain program reductions and preserve city services for specific expenditures. In 2025 and beyond, the source of funds for those programs and services should revert to the original funding source (in most if not all cases that will be the general fund).
2. TNC Tax Revenues: in 2023 and 2024, allow TNC tax proceeds to be used only to administer the tax and to support transportation related expenditures. After this biennium, the TNC tax proceeds could also be used to support investments in affordable housing near frequent transit as described in Resolution 31914.
3. Short-term Rental Tax Fund: Temporarily modify the policies for 2023 and 2024 to require that only the first \$4.4 million (rather than the first \$5 million per existing policies) of STR Tax proceeds be allocated to the Equitable Development Initiative (EDI); remaining proceeds would be allocated consistent with the proposed budget and existing STR Fund policies: \$2 million for debt service payments on bonds issued for affordable housing projects and \$3.5 million to the Human Services Department to support investments in permanent supportive housing (PSH) services. If the Council identifies other resources to support the PSH services this flexibility will not be needed, and the section would be removed from the legislation.

The temporary provisions would allow the City to balance the GF budget over the 2023-2024 biennium and provide time for the Revenue Stabilization Workgroup to make

recommendations on new progressive revenues the City could implement to support GF expenditures, and for the City to continue to look for efficiencies to reduce ongoing GF spending. The directive is to identify other strategies, that do not rely on use of these revenues with defined spend plans that were established for specific uses, to maintain city services and expand programs and services to meet the needs of the community. See Attachment A to this CBA to review a draft of the proposed legislation.

2. CAPITAL IMPROVEMENT PROGRAM

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

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

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2027:

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ☐ Yes ☒ No

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

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

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

This legislation is necessary to balance the 2023-2024 budgets.

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

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

This legislation will provide the flexibility needed to balance the 2023 and 2024 proposed budgets.

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

3.a. Appropriations

☐ This legislation adds, changes, or deletes appropriations.

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

Fund Name and Number	Dept	Budget Control Level Name/##	2022 Appropriation Change	2023 Estimated Appropriation Change
TOTAL				

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

This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the

appropriation is not completely supported by revenue/reimbursements listed below, please identify the funding source (e.g., available fund balance) to cover this appropriation in the notes section. Also indicate if the legislation changes appropriations one-time, ongoing, or both.

Is this change one-time or ongoing?

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

Appropriations Notes:

3.b. Revenues/Reimbursements

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

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

Anticipated Revenue/Reimbursement Resulting from This Legislation:

Fund Name and Number	Dept	Revenue Source	2022 Revenue	2023 Estimated Revenue
TOTAL				

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

Is this change one-time or ongoing?

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

Revenue/Reimbursement Notes:

3.c. Positions

☐ This legislation adds, changes, or deletes positions.

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

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

Position # for Existing Positions	Position Title & Department*	Fund Name & #	Program & BCL	PT/FT	2022 Positions	2022 FTE	Does it sunset? (If yes, explain below in Position Notes)
TOTAL							

* List each position separately.

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

Position Notes:

4. OTHER IMPLICATIONS

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

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

Yes, the legislation is necessary to support expenditures across most or all City departments.

b. Is a public hearing required for this legislation?

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

No

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

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

No

d. Does this legislation affect a piece of property?

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

No

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?

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

f. Climate Change Implications

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

Please provide a qualitative response, considering net impacts. Are there potential carbon emissions impacts of not implementing the proposed legislation? Discuss any potential intersections of carbon emissions impacts and race and social justice impacts, if not previously described in Section 4.e.

No

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.

Describe the potential climate resiliency impacts of implementing or not implementing the proposed legislation. Discuss any potential intersections of climate resiliency and race and social justice impacts, if not previously described in Section 4e.

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 answer should highlight measurable outputs and outcomes.

Summary Attachments: