

**Amendment 8 To Resolution 31957**

**Select Budget Committee**

**Sponsor: Councilmembers Herbold & Mosqueda**

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

Amend Section 1, page 3, line 21, page 4, line 13 to RES 31957 as follows:

Section 1. Proceeds from the new payroll tax imposed by the ordinance introduced as CB 119810 may only be used for investments in the spending categories established in the ordinance introduced as CB 119811 and as further described in this resolution and summarized in Attachment 1 to this resolution.

\* \* \*

B. In all subsequent years, the proceeds from the payroll tax will be allocated as described in an implementation plan required by the ordinance introduced as CB 119811, with the first plan adopted in 2021 for spending in years 2022 and 2023. The intent is to allocate funding as follows:

\* \* \*

2. Housing and services. Sixty percent of the proceeds may be used as follows:

a. ~~Ninety percent~~Eighty-five percent of the funds for housing and services may be used for (1) capital costs associated with the construction or acquisition of rental housing serving households with incomes at or below 30 percent of area median income (AMI), but may be used to support housing serving households with incomes at or below 60 percent of AMI, when required to support the operational costs of a proposed housing project. Such housing shall include, but is not limited to, housing serving people with disabilities, the elderly, low-wage working people, homeless individuals and families, and families with children; (2) operating and services costs of rental housing serving households with incomes at or below 30 percent of AMI; and (3) associated infrastructure to support the ongoing operations costs for the housing, such as maintenance, retrofitting, and energy efficient upgrades to support the housing; and

b. Ten percent of the funds for housing and services may be used for a community focused acquisition, development, and program support fund to affirmatively further fair housing and to address past discriminatory policies and practices, such as redlining,

restrictive racial covenants, and other discriminatory practices that have resulted in certain populations and neighborhoods prospering at the expense of others.

c. Five percent of the funds for housing and services may be used for permanently affordable homeownership opportunities serving households with incomes at or below 80 percent of AMI. Funds will assist households who are at risk of displacement from their communities or who have faced barriers to equitably accessing homeownership in all parts of the due to past discriminatory policies and practices, such as redlining, mortgage lending discrimination, or restrictive racial covenants. Funds may be used for homeowner loans, program support costs, or other costs related to the development of permanently affordable homes.

ed. It is the Council’s intent that new construction of housing projects funded with the payroll tax will be built consistent with the City’s Housing Funding Policies as adopted by Ordinance 125852, and are consistent with the following:

\* \* \*

Amend Attachment 1 to RES 31957 as shown on the next page.

**Effect:** This amendment allocates 5% of the funds under “Housing and Services” to investments in permanently affordable homeownership programs serving households with incomes up to 80% of area median income and decreases by 5% the funds allocated for affordable rental housing investments. These investments would be prioritized to affirmatively further fair housing and to address past discriminatory policies and practices.

Spending Category (2022+ beyond)	As Introduced		Herbold Amendment	
	%	\$	%	\$
<b>Housing and Services</b>	60%	\$131 million	60%	\$131 million
<i>Affordable rental housing</i>	90%	\$118 million	85%	\$111 million
<i>Community driven fund</i>	10%	\$13 million	10%	\$13 million
<i>Affordable Homeownership</i>	-	-	5%	\$6 million
<b>Equitable Development Initiative</b>	9%	\$20 million	9%	\$20 million
<b>Economic Revitalization</b>	17%	\$37 million	17%	\$37 million
<b>Green New Deal</b>	9%	\$20 million	9%	\$20 million
<b>Start-up costs and ongoing administration</b>	5%	\$11 million	5%	\$11 million
<b>TOTAL</b>	<b>100%</b>	<b>\$219 million</b>	<b>100%</b>	<b>\$219 million</b>

### Jump Start Seattle –Proposed Spending Plan Details

2021 Proposed Spending			
Program/Activity	Program Description	%	\$
<b>Replenish Emergency Fund</b>	Replenish the City’s Emergency Fund balance that was reduced in 2020 to fund programs that address the economic impacts caused by COVID-19.		\$86 million
<b>Continuity of Services</b>	Provide continuity of services and programs administered or supported by the City prior to the COVID-19 crises that, absent the support from the payroll tax revenue, would see a reduction in funding; and funding to support increased costs and the expansion of services and programs administered or funded by the City that support low-income communities.	75% <sup>1</sup>	\$96 million
<b>COVID Relief - continued</b>	Continue funding for programs and services that received funding in 2020 to provide public assistance to low-income households and small businesses impacted by the COVID-19 emergency.	20% <sup>1</sup>	\$26 million
	Start-up costs and ongoing administration <sup>2</sup>	5% <sup>1</sup>	\$6 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%<sup>1</sup></b>	<b>\$214 million</b>
2022 + Beyond Proposed Spending (based on the payroll tax revenue estimate)			
<b>Housing and Services</b>	<ul style="list-style-type: none"> <li>- <del>90</del>85% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and</li> <li>- 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices</li> <li>- 5% for affordable homeownership programs serving households with incomes up to 80% of AMI</li> </ul>	60%	\$131 million
<b>Equitable Development Initiative</b>	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$20 million
<b>Economic Revitalization</b>	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$37 million

<sup>1</sup> After replenishing the emergency fund

<sup>2</sup> In 2021, the admin costs are not applied to the \$86 million to replenish the emergency funds

<b>Green New Deal</b>	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$20 million
Start-up costs and ongoing administration		5%	\$11 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%</b>	<b>\$219 million</b>

<b>2022 + Beyond Proposed Spending (based on the payroll tax revenue goal)<sup>3</sup></b>			
<b>Housing and Services</b>	<ul style="list-style-type: none"> <li>- <del>9</del>85% for construction or acquisition of rental housing serving 0-60% of Area Median Income (AMI) prioritizing serving 0-30% of AMI, including operating and services costs serving 0-30% of AMI; and</li> <li>- 10% for a community driven fund to invest in projects that affirmatively further fair housing and to address past discriminatory policies and practices</li> <li>- <u>5% for affordable homeownership programs serving households with incomes up to 80% of AMI</u></li> </ul>	60%	\$148 million
<b>Equitable Development Initiative</b>	Funding for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects with a goal of at least \$20 million annually.	9%	\$22 million
<b>Economic Revitalization</b>	Funding to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city’s workforce.	17%	\$42 million
<b>Green New Deal</b>	For investments that advance Seattle’s Green New Deal as described in Resolution 31895.	9%	\$22 million
Start-up costs and ongoing administration		5%	\$12 million
<b>TOTAL ANNUAL SPENDING:</b>		<b>100%</b>	<b>\$246 million</b>

<sup>3</sup> Due to data limitations, the estimate for the Jump Start Seattle tax authorized through the ordinance introduced as Council Bill 119810 does not include incremental revenue that may be generated from a portion of the rates on any businesses with payroll of \$1 billion and above. This table illustrates the spending breakdown using the sponsor’s revenue goal that assumes those businesses with payroll of \$1 billion and above will result in about \$28 million of additional revenue annually in 2022.