



Legislation Details (With Text)

File #: CB 119137 **Version:** 1 **Name:** CB 119137
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In control: City Clerk

On agenda: 11/20/2017

Final Action: **Ord. No.**

Title: AN ORDINANCE relating to the Revenue Stabilization Account of the Cumulative Reserve Subfund; transferring money from the Revenue Stabilization Account to the General Subfund for one-time expenditures related to homelessness.

Sponsors: Bruce Harrell

Indexes:

Attachments: 1. Summary and Fiscal Note

Date	Ver.	Action By	Action	Result
4/1/2019	1	City Clerk	Retired	
11/14/2017	1	Select Budget Committee	do not pass	Fail
11/13/2017	1	City Council	referred	
11/13/2017	1	Council President's Office	sent for review	
11/13/2017	1	City Clerk	sent for review	

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the Revenue Stabilization Account of the Cumulative Reserve Subfund; transferring money from the Revenue Stabilization Account to the General Subfund for one-time expenditures related to homelessness.

WHEREAS, on November 2, 2015, Mayor Ed Murray declared a civil emergency related to homelessness; and

WHEREAS, on November 3, 2015, the Council ratified and confirmed the emergency; and

WHEREAS, the City has taken a variety of measures to reduce homelessness including (1) actions taken pursuant to orders issued under the civil emergency to increase available temporary shelter and (2) increases in investments for low-barrier shelter, transitional housing, permanently supportive housing, outreach, and other services for people experiencing homelessness; and

WHEREAS, in 2015, at the time of the declaration of the civil emergency, the *One Night Count* point-in-time

assessment identified 10,047 people in King County experiencing homelessness;

WHEREAS, the 2017 *Count Us In* point-in-time assessment identified 11,643 people in King County experiencing homelessness, a 16 percent increase from 2015;

WHEREAS, one-time additional spending is needed to reduce homelessness while maintaining other City services; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Seattle Municipal Code Section 5.80.020 provides as follows:

5.80.020 Structure of subfund.

The Cumulative Reserve Subfund shall be comprised of two accounts: the Capital Projects Account, with its several subaccounts, and the Revenue Stabilization Account.

A. The Capital Projects Account shall be comprised of several subaccounts, including but not limited to the Real Estate Excise Tax I Subaccount; the Real Estate Excise Tax II Subaccount; the South Lake Union Property Proceeds Subaccount; the Asset Preservation Subaccount - General Facilities; the Bluefield Habitat Maintenance Subaccount; and the Unrestricted Subaccount. Expenditures from the Capital Projects Account shall require an ordinance adopted by a majority of the members of the City Council.

B. The Revenue Stabilization Account shall be used for revenue stabilization for future City operations and to fund activities that would otherwise be reduced in scope, suspended or eliminated due to unanticipated shortfalls in General Subfund revenues. Transfers into and expenditures from the Revenue Stabilization Account shall occur as follows:

1. Expenditures from the Revenue Stabilization Account shall require an ordinance. An assessment of the City's long-term financial outlook should be considered when making decisions about how much to expend from the Revenue Stabilization Account, including a projection of how Revenue Stabilization Account resources are expected to be used and at least partially replenished over the following four years.

2. The Revenue Stabilization Account shall be funded by (a) transfers by ordinance, (b)

automatic transfer of 0.25 percent of General Subfund tax revenues forecast for 2012 and the automatic transfer of 0.50 percent of forecast General Subfund tax revenues for each year thereafter, and (c) upon completion of fiscal year accounting, automatic transfer of 50 percent of the ending General Subfund fund balance, less encumbrances, carryforwards as authorized by ordinance or state law, and planned reserve amounts reflected in the adopted budget, that is in excess of the latest revised estimate of the unreserved ending fund balance for that closed fiscal year (as published in the adopted budget). A transfer as described in subsection 5.80.020.B.2.c shall occur at that time the City completes its accounting for the closed fiscal year.

3. For purposes of this subsection 5.80.020.B, the phrase "tax revenues" means all tax revenues deposited into the General Subfund, including but not limited to, tax revenue from the regular property tax levy, business and occupation tax, utility business taxes, the portion of admissions tax not dedicated to the Arts Account, leasehold excise tax, gambling taxes, and sales and use taxes.

4. At no time shall the balance of the Revenue Stabilization Account exceed 5 percent of the General Subfund tax revenues forecast underlying the adopted budget for the current fiscal year. Automatic transfers of funds into the Revenue Stabilization Account as required by subsection 5.80.020.B.2 shall be made only to the extent that the fund balance for the Revenue Stabilization Account does not exceed 5 percent of the tax revenues forecast for the current fiscal year, and the automatic transfer of any amount that would result in such an excess shall be suspended.

5. When the Revenue Stabilization Account balance reaches 5 percent of forecast tax revenues, and automatic transfers are suspended, the amount that would have been automatically transferred into the Revenue Stabilization Account had the Revenue Stabilization Account not reached its maximum-allowed fund balance should be used to pay for existing obligations rather than to fund new programs.

6. The transfer of 0.50 percent of General Subfund tax revenues and 50 percent of General Subfund year-end balances that is described in subsection 5.80.020.B.2 shall be temporarily suspended when revenue forecasts underlying the adopted budget anticipate a nominal decline in General Subfund revenues, as

compared to the revenue forecasts underlying the adopted budget for the fiscal year immediately prior.

Automatic transfers shall remain suspended until positive revenue growth is reflected in the revenue forecasts underlying the adopted budget.

7. In the first year during which positive revenue growth is again forecast, the automatic transfer of tax revenues described in subsection 5.80.020.B.2.b shall be limited to 0.25 percent, followed by an automatic transfer of 0.50 percent in each year thereafter, unless the City again forecasts a nominal decline in General Subfund tax revenues or the value of the Revenue Stabilization Account reaches 5 percent of forecast tax revenues.

8. The automatic transfer of 0.25 percent or 0.50 percent of General Subfund tax revenues that is described in subsections 5.80.020.B.2.b and 5.80.020.B.7 shall also be temporarily suspended in any year that an expenditure from the Revenue Stabilization Account is authorized in the adopted budget.

Notwithstanding the requirements of Section 5.80.020 of the Seattle Municipal Code, the Council authorizes a transfer on January 1, 2018 in the amount of \$8,851,000 from the unexpended and unencumbered balance of the Revenue Stabilization Account of the Cumulative Reserve Subfund to the General Subfund as shown below:

Item	Fund	Amount	Transferred (In / Out)
1.1	General Subfund (00100)	\$8,851,000	Transferred In
	Cumulative Reserve Subfund - Revenue Stabilization Account (00166)	(\$8,851,000)	Transferred Out

Section 2. The Council requests that the City Budget Office provide the Budget Committee by January 31, 2018 with a projection for when the Revenue Stabilization Account will achieve the maximum balance of five percent of General Subfund tax revenues, which includes a proposed four-year plan to replenish the revenue stabilization account beginning in 2019.

Section 3. 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 the City Council the _____ day of _____, 2017, and signed by me in open session in authentication of its passage this _____ day of _____, 2017.

President _____ of the City Council

Approved by me this _____ day of _____, 2017.

_____, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)