

City of Seattle 2022 Proposed Budget

September 29, 2021



Highlights of 2022 Proposed Budget

General Government Resources for 2022

- General Fund revenues are recovering, but still short of pre-pandemic levels:

2019 actuals = \$1.45 billion

2022 forecast = \$1.42 billion

And the impact of inflation since 2019 means effective shortfall is larger than the nominal difference.

- Payroll Tax represents a significant increment in general government resources, but still awaiting first actual payments. *2022 forecast = \$235 million*
- Federal COVID-19 fiscal relief provides one-time funding to support public health response and economic recovery. *\$116 million = CLFR 2nd Tranche, and FEMA reimbursement likely to extend into 2022*

Funding Priorities

- Restore base budgets and rebuild fiscal reserves
- Community safety
- Homelessness
- Affordable housing
- Green New Deal
- BIPOC investments
- JumpStart



Restore Base Funding and Rebuild Fiscal Reserves

Parks – restore \$7.5+M of General Fund and shift Park District funds back towards major maintenance activities as was promised to the voters.

Library – restore ~\$5M of General Fund so that Library Levy can again support expanded services, rather than basic operations.

Fiscal Reserves – contribute \$25M, bringing current balances from ~\$40M to ~\$65M (Pre-covid balance was ~\$125M).



Community Safety

Investing in Alternate Response Models and Community-based Responses

- ***Triage One - \$2.2 million***
 - Coordinated dispatch through CSCC.
 - Connect those in need with appropriate services, while reducing demand on SFD and SPD emergency response.

- ***Expand Community Service Officer Program - \$1.3 million***
 - Addition of 6 positions, growing team to 24.
 - Assist in response to non-emergent requests for service and assistance, engage with communities and neighborhoods, and support programming for at-risk youth.

- ***Invest in New Domestic Violence Intervention Program – Existing Resources***
 - Pilot project modeled after the national best practice.
 - Will provide funding for community-based nonprofit organizations providing treatment services for batterers.

- ***Sustain New Community-based Safety Programs Contracted by HSD - \$10 million***

Stabilize and Begin to Rebuild SPD's Uniform Staffing Levels

- Funding to support 35 additional officers in 2022, following net loss of more than 100 officers this year.
- \$1 million proposed for hiring incentives for new recruits and lateral transfers to help achieve this hiring goal.



Homelessness

➤ *King County Regional Homelessness Authority*

- Agency to take lead on overseeing shelter and services in 2022.
- Coordinated with agency in developing proposed budget and currently finalizing a Master Services Agreement.

➤ *Sustain COVID-19 Shelter Response*

- Operations funding for new Keiro Shelter (\$6.6 million) and expanded Salvation Army SODO facility (\$12.1 million).
- Operations funding (\$2.4 million) to support state capital grant for three additional tiny home villages.
- Maintain financial support to address increased operational costs for existing providers (\$3.7 million).

➤ *Expand Access to Transitional and Supportive Housing*

- New City resources (\$6 million) to fund services that will be paired with federally-funded emergency housing vouchers.
- Sustain funding for multi-bedroom transitional housing units for immigrant and refugee families.

➤ *Clean City Program*

- Sustain 2021 Clean City funding (\$6.25 million) to pay for expanded services including needle collection, purple bag distribution, community litter collection, and graffiti rangers.
- Expand outreach, hygiene and garbage collection services for RVs.
- Provide one-time funding to Seattle Parks and Recreation (SPR) to address damage to park properties (\$2 million), and on-going operational funding (~\$1 million) for SPR to take a direct role in addressing impacts of encampments, including litter removal, storage of personal belongings, and reporting in compliance with Multi-Department Rules (MDARs).



Affordable Housing

Proposed 2022 Budget Includes historic levels of funding for the Office of Housing (OH)

- **Total 2022 OH budget = \$198.8 million; an Increase of ~\$115 million over 2021.**

New and Expanded Investments include:

- **New Investments in Housing Capital (\$89.5 million) – production, preservation and acquisition**
 - \$50.5 million from Coronavirus Local Fiscal Recovery (CLFR) dollars.
 - \$17 million from the Payroll Tax Fund.
 - \$1.3 million from the Transportation Network Company (TNC) tax.
 - \$20.7 million in new Mandatory Housing Affordability (MHA) projected revenue.
- **Community Driven Acquisition and Development of Affordable Housing (\$15.7 million)**
 - \$15.7 million from the Strategic Invest Fund directed to OH to invest in communities facing high displacement pressure.
 - Funded with payroll tax revenues.
- **Expanding Home Ownership to Grow Generational Wealth (\$6 million)**
 - The Equitable Communities Task Force recommended \$6 million in on-going investments to increase homeownership rates among communities impacted by a historically racist housing policies.
 - Funded with payroll tax revenues.



Green New Deal and the Duwamish Valley Program

Proposed 2022 Budget Includes \$14+ million in New Funding for the Green New Deal (GND)

- \$6.5 million awaiting recommendations from the GND Advisory Board.
- Duwamish Valley investments supporting green economy and environmental justice (\$4 million, details below).
- Subsidize conversions away from oil-fueled furnaces (\$1.7 million).
- Clean energy pre-apprenticeship program (\$1 million). This funding will pay for application and enrollment costs, tools, etc.
- Expand Environmental Justice Fund (\$550,000 in additional grant funding).
- Clean Buildings Accelerator program to help business owners comply with new state building standards (\$220,000).

This investments are supported by \$13+ million of payroll tax funding and \$1 million of the federal CLFR resources.

Duwamish Valley Program - \$8.6 million

- Duwamish Valley Development Projects - \$2.3 million
- Expand Duwamish Valley Youth Corps - \$500,000
- Rebates for Heavy Duty Electric Vehicles operating in the Duwamish Valley- \$1 million
- Duwamish Valley Green Economy Workforce Development Investments - \$275,000
- 8th Ave Pedestrian Improvements - \$1.8 million
- Support for Duwamish Valley Businesses - \$275,000
- Funding for Greening of Industrial Properties - \$300,000
- Program Staff and Community Engagement - \$193,000
- South Park Community Center and Campus Improvements - \$2.0 million



Coronavirus Local Fiscal Recovery (CLFR) funds Tranche 2

Summary of Proposed Funding Package

- \$50M for affordable housing – long term investment to help address basis affordability.
- \$25M for shelter and food assistance.
- \$14.5M for economic recovery, including childcare assistance.
- ~\$10M for City operations, including vaccination verification, IT in support of remote work, and staff to manage \$400M+ of new federal money (CRF, CLFR, FEMA, etc.).
- ~\$10M for Seattle Promise, Affordability Portal, and impact evaluation.
- \$6.25 M for continued investments in Clean City program.



JumpStart Priorities

Using a combination of payroll tax revenues and federal CLFR funding, the proposed budget matches the funding targets set out in Ordinance 126393:

JumpStart Funding Targets

Affordable Housing (and homelessness)	\$98 million
Economic Recovery	\$24 million
Equitable Development Initiative	\$14 million
Green New Deal	\$14 million

This approach balances the flexibility of City funding resources and the constraints placed on the available federal funding to address the JumpStart priorities and other policy commitments and goals shared by the Council and Mayor.

