

City of Seattle Budget

City Budget Office

October 2021



Budget 101 Agenda

- 1 City Revenues: Where the \$ comes from
- 2 City Expenditures: Where the \$ goes to
- 3 Overview of Budget Process: How/when decisions are made
- 4 Highlights of 2022 Proposed Budget



1 The City's Revenues

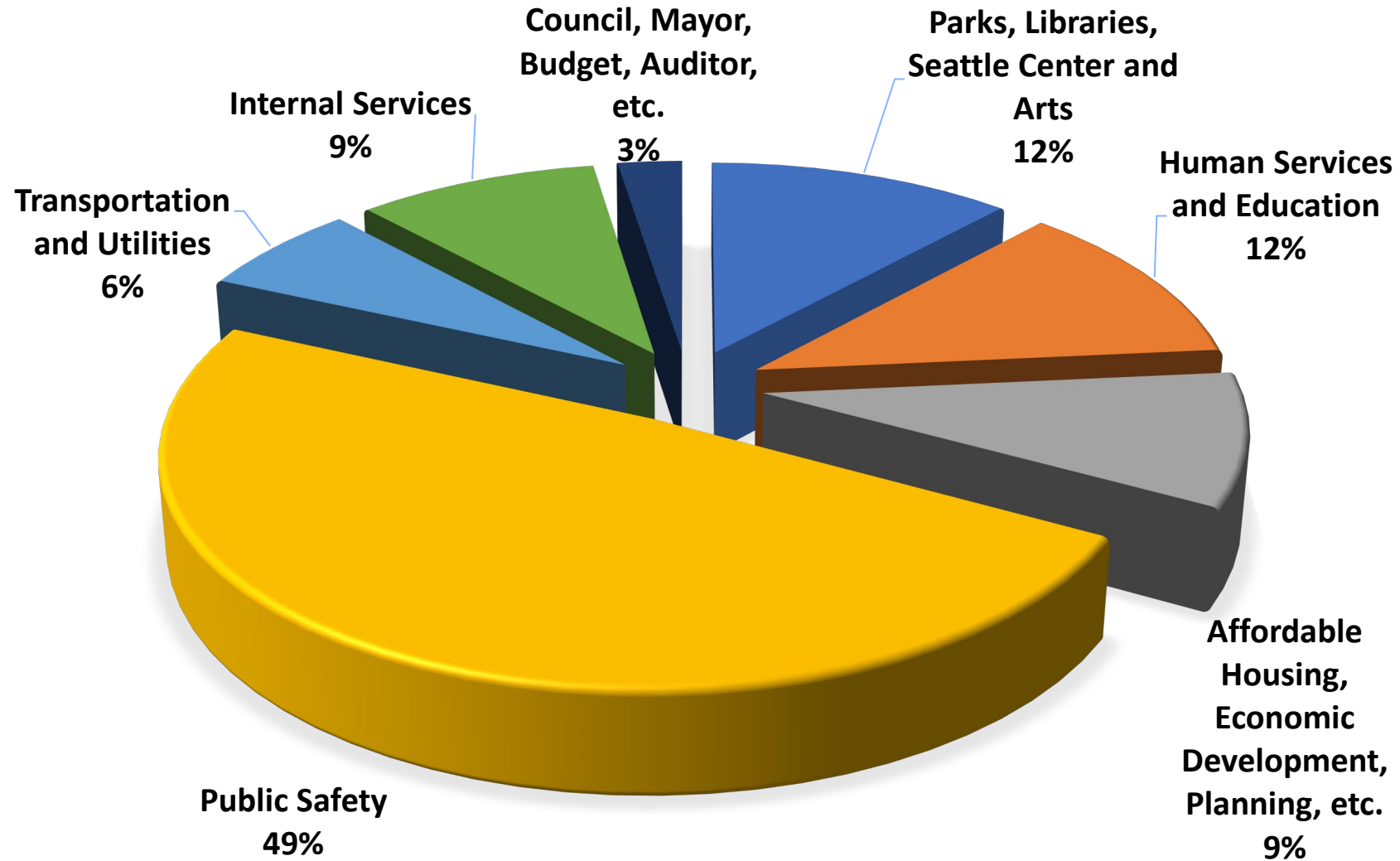
Sources	Amount in 2022
General Fund (taxes and fees)	\$1.4 billion
Payroll Tax	\$235 million
SPU (utility rates and wholesale revenues)	\$1.5 billion
City Light (utility rates and wholesale revenues)	\$1.3 billion
SDOT (non-General Fund)	\$720 million
Other restricted sources (e.g., permit fees, user fees, dedicated taxes, grants)	\$1.5 billion
Voter-approved levies and Parks District	\$350 million
Total City Revenues	~\$7.1 billion

1 General Government Resources - Flexible Funding

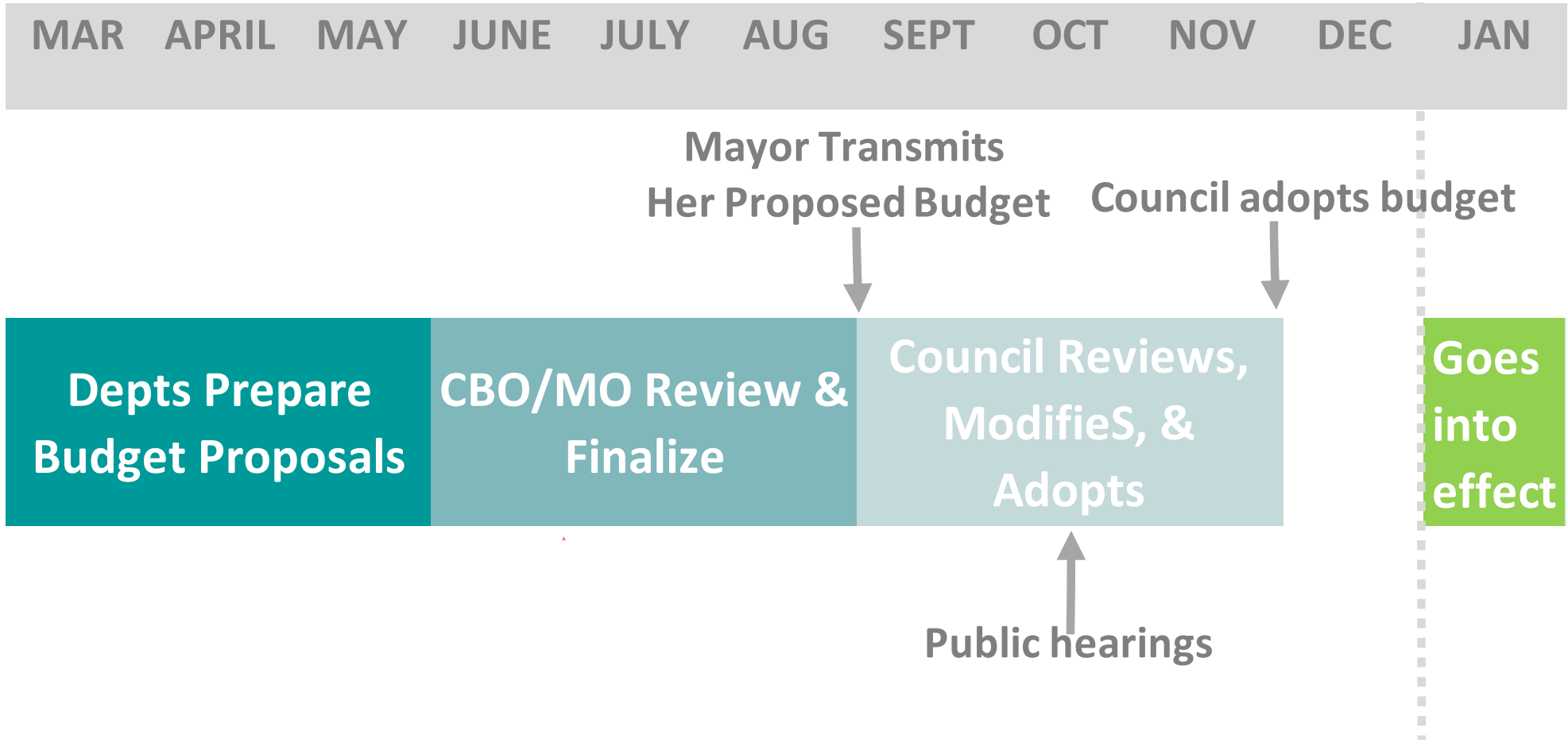
General Government Resources	Amount in 2022	%
General Fund		
Property Tax	\$372 million	27%
Business and Occupation Tax	\$319 million	23%
Sales Tax	\$304 million	22%
Utility Taxes	\$217 million	16%
Other taxes and fees	\$188 million	13%
General Fund Total	\$1.4 billion	100%
Payroll Tax	\$235 million	
General Government Resources - Total	\$1.6+ billion	

2

General Government Spending



3 Budget Process



4 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

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
- Expand Community Service Officer Program at SPD - \$1.3 million
- Invest in New Domestic Violence Intervention Program
- Sustain New Community-based Safety Programs - \$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

- ***Transition to King County Regional Homelessness Authority***
- ***Sustain COVID-19 Shelter Response***
- ***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.
- ***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 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 existing Multi-Department Rules.



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
- Community Driven Acquisition and Development of Affordable Housing (\$15.7 million)
- Expanding Home Ownership to Grow Generational Wealth (\$6 million)

Green New Deal

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.
- 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.



Coronavirus Local Fiscal Recovery (CLFR) Funds

Summary of Proposed Funding Package - \$116M

- \$50M for affordable housing – long term investment to help address 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 and report on new federal money.
- ~\$10M for Seattle Promise, Affordability Portal, and impact evaluation.
- \$6.25 M for continued investments in Clean City program.



Discussion

- Questions?

