

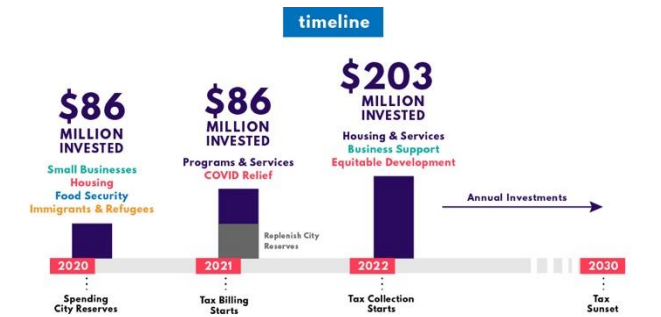


The crisis of COVID-19 has laid bare the stark economic inequality and housing instability that was already present in Seattle, and just made worse by the pandemic. These twin health and economic crises have had, and will continue to have, an outsized impact on communities of color—particularly Black, Indigenous, and Latinx communities. We’re headed for a long and painful recovery, and we have to rebuild our economy from the bottom-up, not the top-down, and in a way that promotes a more equitable economy for all.

Our community is hurting: Sudden job and income loss means people can’t pay for food and rent; small businesses have had little to no revenue; the risk of infection and death is growing worse for our homeless population who we’ve failed house in non-congregate settings.

Our economy is tanking: The economic downturn caused by COVID is forecasted to be the worst global recession since the Great Depression. The City Budget Office predicts expects \$200-300 million revenue shortfall this year, significant job loss, and uncertainty on the length of recovery.

We cannot wait: Federal relief has been appreciated, but it’s just not enough. The state is facing its own budget crisis with a predicted \$7 billion shortfall over the next three years. In this moment, we can act. Here’s how:



The JumpStart Seattle proposal would allocate \$86 million per year for 2020 and 2021, growing to over \$200 million per year in 2022. Starting with the short-term needs of residents and small businesses facing income loss, it builds in 2022 and beyond to invest in affordable housing, equitable development, and economic revitalization.

In 2020:

the solution in 2020

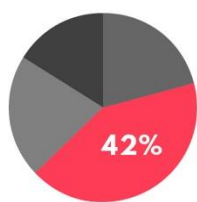
\$86 MILLION

Invested in Community COVID Relief in 2020

- Small Businesses
- Housing
- Immigrants & Refugees
- Food Security

In the midst of a pandemic, housing insecurity isn’t just a moral crisis, it’s a public health crisis. Expanding nutrition assistance vouchers will help families put food on the table. Assistance for small businesses and workers/families will jumpstart our economy by putting more money in peoples’ pockets, which they’ll in turn spend at local businesses, who will be able to bring back more employees and drive Seattle’s recovery. In 2020, the \$86 million includes:

the solution in 2020



Immediate Housing

\$36 MILLION in 2020

- Homelessness Prevention • Shelter De-intensification • Mortgage + Foreclosure Assistance

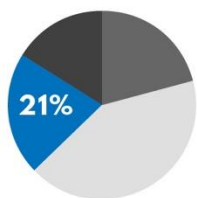
Housing and Support Services: In 2020, \$36 million will be allocated to immediate housing stability and emergency homelessness response to get folks who are on the brink of homelessness the financial assistance they need to stay housed, provide public health-appropriate housing for people experiencing homelessness, and support our non-profit service providers at the front lines of this crisis. The \$36 million includes:

- \$19 million to expand homelessness prevention programs and rental assistance;
- \$11 million to provide funding for non-congregate shelter/housing;

- \$1 million to expand mortgage counseling and foreclosure prevention programs;
- \$5 million to support non-profit affordable housing/shelter providers with PPE, staffing, and cleaning expenses, and costs of lost rent.

The COVID emergency has exacerbated the existing housing and homelessness crisis our city has been struggling to address as a declared emergency since 2015. Our neighbors who are experiencing homelessness are being exposed to even graver circumstances as the threat of infection and death particularly impacts those in congregate shelters and on the street. People experiencing homelessness are twice as likely to be infected with the virus and 2-3 times more likely to die from COVID-19 than the general population. In order for people to survive COVID-19, and to prevent more people from getting it, our residents must have housing.

the solution in 2020



Immigrant & Refugee Support

\$18 MILLION in 2020

Financial Assistance • Language Access

Immigrant & Refugee Supports: In 2020, \$18 million will support immigrants and refugees. Among people of color disproportionately affected, immigrants and refugees, many of whom are deemed as “essential workers” yet did not receive any COVID-19 relief from the federal government. The \$18 million includes:

- \$17 million for direct financial assistance for immigrant and refugee households
- \$1 million for language access support for people who need help accessing and understanding assistance programs

We know Seattle can't solve this disparity alone. On May 18th, 2020, Council passed [Resolution 31946](#), which called for the Governor and the State Legislature to create a “Washington Worker Relief Fund” with an initial allocation of at least \$100 million. The fund would be administered by community-based organizations to provide emergency economic assistance to undocumented Washingtonians during the COVID-19 pandemic. The resolution called on the state to create a system that will provide wage replacement protection

to workers who lose their jobs and are excluded from the current unemployment insurance system.

As we continue to advocate for the Governor and state legislature to act, we as a Welcoming City must act to fill the urgent gaps left from the state and federal government. Supporting undocumented communities is key to supporting the health of our community and economy in our entire region.

the solution in 2020



Food Security

\$14 MILLION in 2020

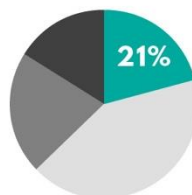
Emergency Grocery Vouchers for ~16k Households

Food Security Programs: Food insecurity was already an issue we were working to address in our city and across our region, and since COVID-19 began to impact our communities, we've seen a significantly increased need for food security programs. In 2020:

- \$14 million will go to expand the Emergency Grocery Voucher program to be used at Safeway stores and ethnically relevant groceries for access to culturally appropriate food.

In March, the City allocated \$5 million in grocery vouchers which provided 6,250 families with \$800 in vouchers to purchase food, cleaning supplies, and other household goods at any Safeway store in Washington state. Food, housing, and health care are basic rights and this crisis is exacerbating our nation's deficiencies in providing these basic rights. The additional funding from my revenue proposal will continue to provide relief to working families that are struggling the most.

the solution in 2020



Supporting Small Businesses

\$18 MILLION in 2020

1,300 \$10k Grants to Small Businesses • 340 \$10k Grants to Child Care Providers

Small Business Supports: In 2020, \$18 million will go to support small businesses throughout Seattle. There continues to be a great need for flexible funding sources

dedicated to support Seattle small businesses to survive this crisis. The \$18 million includes:

- \$3.6 million for small business direct cash assistance with 20% going toward childcare support so workers and owners can go back to business while schools are closed.
- \$14.1 million for flexible funding to allow businesses to pay staff, vendors, clean, and operate.
- \$300,000 for technical assistance to navigate opening and operating under and post COVID-19.

Simply put, small businesses have said they need financial support and guidance. This proposal provides support to access available grants, services, and programs, as well as access to direct cash assistance to pay for rent, supplies, payroll, and more. To show the magnitude of need, the Seattle Office of Economic Development (OED) relaunched their Small Business Stabilization Fund to support small businesses impacted by COVID-19. The City awarded \$10,000 to 253 eligible small businesses, but there were a total of 8,429 applicants. After seeing the high demand, they awarded 139 additional grants. But the need is still there, and so is the need for childcare. Businesses have asked for childcare support so that essential workers have a safe place to drop off their kiddos when they go to work with schools closed.

In 2021:

the solution in 2021

\$86 MILLION

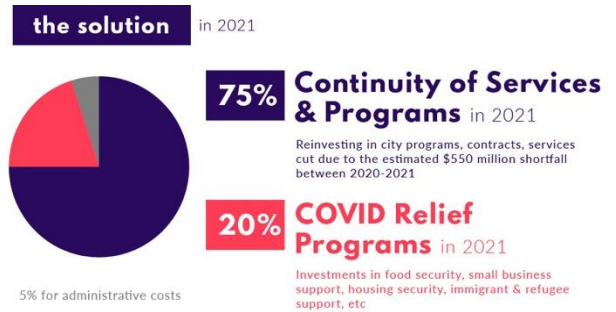
Invested in the Community in **2021**

● **Continuity of Services & Programs**

● **COVID Relief Programs**

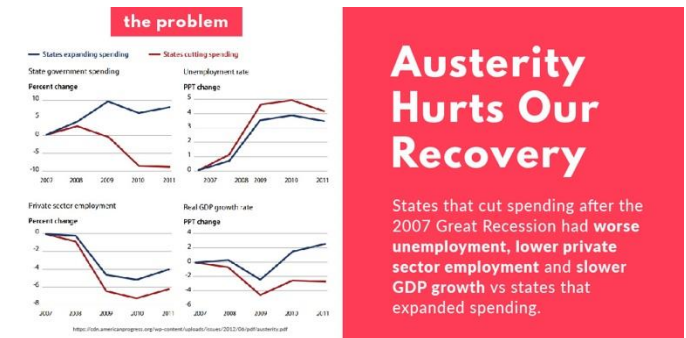
In 2021, the proposal allocates \$86 million to replenish the City's Emergency Fund balance that will have been reduced in 2020 to fund programs that address the economic impacts caused by COVID-19. In 2021, the remaining \$86 million includes:

- \$65 million for continuity of services and programs that residents rely on to serve our community at large and provide support for low-income families.
- \$17 million for continued COVID-19 relief as allocated by percentages in 2020.



In 2021, 75 percent is largely devoted to addressing the financial cliff that will present itself when emergency funding and rainy day funds are no longer sufficient. We simply cannot allow for basic services that care for and nurture our community to be dramatically cut—programs at parks, childcare services, library services, firefighter services and HealthOne response vans, construction and inspection activities—day to day operations that keep this city running and make our community active and vibrant. We must soften the blow so core services don't abruptly end that we will need to build our way out of this recession.

The data shows that we cannot starve or cut our way out of a recession. This has been proven over and over, and was experienced here in our state during the Great Recession last decade. Budget cuts siphon even more consumers and spending out of our economy. By increasing investments in needed services and infrastructure that keep people working, we can create jobs, inject more money back into our communities and small businesses, and jumpstart our economy.



To ensure continuity of services, \$65 million will go to provide stability for 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 dramatic reduction in funding. This funding will go to support the costs and expansion of services and programs administered or funded by the City that support vulnerable communities and core government services.

2022 and Beyond:

the solution in 2022

\$203 MILLION

Invested in the Community in 2022

- Housing and Services
- Business Support
- Equitable Development Initiative

Without a doubt, the need for more affordable housing will increase as the COVID recession unfolds. An estimated 30,000 more households will be added to those paying over 50% of their income for housing in Washington due to COVID, and the pandemic is expected to cause a 45% increase in homelessness across the country. The ballooning need for deeply affordable housing has been illustrated by the United Way of King County Home Base Fund, where they are providing rental assistance to King County households below 50% of the AMI experiencing financial impacts due to COVID-19: Within days of launching the program in April, the Home Base fund received 7,000 applications, thousands more applications than funds available to serve them. This proposal prioritizes building the affordable housing we desperately need in Seattle.

Even prior to COVID, Seattle was in the midst of a homelessness emergency and affordable housing crisis. Over the last decade, we saw the average rents in Seattle rise by 69 percent—that's double the national average. We know that for every \$100 increase in average rents, there is a corresponding 15% increase in homelessness. In 2019, there were an estimated 11,199 individuals experiencing homelessness countywide according to the Point in Time Count. Thousands of Seattle renters faced eviction threats every year, and the 2018 Losing Home report found that most tenants who are evicted become homeless. Evictions fall disproportionately on women and people of color, with people of color constituting about 35 percent of renters, and nearly 52 percent of evictions involved people of color.

Year after year, the reports prove the same point, and the statistics just get starker: The King County Regional Affordable Housing Task Force found that an additional 244,000 affordable homes are needed in the region by 2040. The Third Door Coalition proposes the creation of 6,500 units of permanent supportive housing to solve

chronic homelessness in Seattle/King County. Over the last ten years, our region has actually *lost* 112,000 affordable homes attainable to low-income households as a result of booming economic growth that did not result in shared prosperity for our all in our community. We have been woefully behind in adequately investing in housing for our community, and the combined crises of COVID, housing unaffordability, and homelessness are threatening to set us back even further. Beginning in 2022, the over \$200 million annual investments include:

the solution in 2022



This amount is expected to be higher than \$203 million when the final assessment is collected, However, even using conservative estimates and applying an inflationary adjustment to the expected assessment the \$203 million for 2022 and annually thereafter includes:

- \$132 million for construction or acquisition and operations of rental housing for households 0%-50% of AMI with at least 75 percent used to house those extremely cost-burdened or homeless between 0-30% of AMI.
- \$20 million for the Equitable Development Initiative (EDI) to support the non-housing and affordable housing components of EDI projects.
- \$41 million to support local businesses and economic activity to spur the recovery and to provide economic stability for the city's workforce.

Affordable Housing: Beginning in 2022, sixty-five percent of the funding, at least \$132 million annually, will be dedicated to the construction or acquisition and operating and service costs for deeply affordable housing. This is housing and services for those working and living in poverty between 0-50% of the Area Median Income. Importantly, seventy-five percent of the \$132 million is allocated towards affordable housing at 0-30% of the AMI—our lowest wage workers, families, and seniors living in poverty, and our neighbors recovering from homelessness. This funding could be used to create Permanent Supportive Housing or deeply affordable rental housing for households with

very low incomes. The remaining twenty-five percent may be used for housing affordable up to 50% of the AMI, provided those projects also include units affordable to households at or below 30% of the AMI.

As the Third Door Coalition and regional housing partners and researchers have shown, Permanent Supportive Housing (PSH) is critical to solving homelessness and is a key component to our region's ability to address the record number of people living unsheltered. PSH is a combination of housing and services designed to support people to recover from and permanently avoid homelessness. It is the only proven strategy to solve chronic homelessness and has a success rate of roughly 95 percent. PSH works, and this proposal helps create the infrastructure and support to make it possible.

The JumpStart proposal also invests in workforce housing and housing for those with the lowest incomes. Affordable housing between 30 - 50% of the AMI would serve households with incomes between \$23,250 - \$38,750 for an individual and \$33,200 - \$55,350 for a family of four in 2019. These affordability levels serve seniors, people living with disabilities, and the lowest wage workers and their families.

Creating deeply affordable housing is cost effective. As Third Door points out, it costs the same to provide **1 year** of permanent supportive housing as it does to provide **3 days** in Harborview or **3 months** in the County jail. The City of Seattle has the ability to leverage these investments against the Low Income Housing Tax Credit (LIHTC), however the availability of LIHTC is expected to be limited because of other investments that rely on this leverage (such as the Housing Levy funds). This is particularly true for the PSH units. This chart below assumes the City is paying the full per unit cost for PSH units and the City pays the full per unit cost for 80 percent of the units service households with incomes at 30-50 percent of AMI.

Further, the per-unit cost of units could be lowered through other strategies, including building on publicly-owned land, removing barriers within development regulations and permitting processes, and innovative construction methods. Our efforts to invest in and build housing must be coupled with corresponding policies to reduce red-tape and streamline processes. We can also stimulate economic growth and create good living wage union jobs by building in apprentice utilization standards and prevailing wage for large projects. These

corresponding policies are key to the success of the JumpStart Seattle proposal.

In order to successfully maintain PSH, the operations and services funding requires a 20-year commitment for these units and the \$20,000 annual per unit cost must be adjusted for inflation. Since the JumpStart tax is set to sunset after ten years, the City would need to identify an ongoing funding source for the remaining 10 years of services funding. However, the City also has the option to frontload services funding for PSH units (i.e. match capital investments in PSH with the equivalent of twenty years of services funding). These different approaches involve trade-offs for the amount of funding available for capital investments which will be discussed by the oversight board.

Housing is key to our recovery—not just from the COVID public health and economic crises, but from the longstanding homelessness and housing affordability crises that have been impacting our communities with no reprieve. Housing is crucial for physical well-being and economic stability and is essential to our public health and economic recovery—and we must invest now and into the future to meet our community's needs.

Equitable Development Initiative: The same forces that have played into our affordable housing crisis—stark economic disparities, a lack of affordable housing, and now the economic impacts of COVID—coupled with our history of racist redlining, exclusionary zoning, and discriminatory housing and lending practices have led to increasing displacement pressures in communities of color in Seattle. Longtime community members are being pushed out of their homes and out of the city—far from their jobs, their cultural and faith communities, and their families and friends. This is particularly true for Seattle's Black community.

Often funding for community-initiated development and community ownership projects designed to fight displacement and root communities in place is put on the back burner. Not anymore. To support community-driven equitable development in communities at risk of displacement, JumpStart Seattle allocates 10% of funding generated in 2022 and beyond to the [Equitable Development Initiative](#) (EDI). This funding will support community centers, childcare, small business creation along with affordable housing components to help right historic wrongs and clear the way for greater self-determination in our communities. The EDI projects will now have a steady stream of funding with a goal of at

least generating \$20 million annually—something our community has been asking for years. EDI projects include places like:

- [Ethiopian Village](#), a mixed-use project that includes 100 affordable senior homes, childcare, commercial space, and a community center serving multiple generations of the Ethiopian community.
- [Midtown Center Africatown](#), a development at Africatown Plaza with community-serving commercial space and approximately 130 apartments affordable to households earning up to 60% AMI.
- [Homestead Home](#), a project preserving a historic home in the Chinatown-International District one block south of the Wing Luke Museum and development of the adjacent parking lot to build 60 affordable apartments above a street-level community gathering space.

Economic Revitalization: Because businesses are going to continue to need support in the out years, \$41 million annually, or 20 percent of the remaining funding, will go to support local businesses and tourism to spur the local economic recovery, and to provide economic stability for the city's workforce. This key component to creating a more equitable local economy will have a facilitated process to create a revitalization plan with business, labor, and community at the table.

We have incorporated this critical revitalization stream to build on the harmonious request across Seattle to get folks back into our local economy quickly. This could include support for outdoor sidewalk dining for restaurants, park activities, support for creative festivals and street fairs, free transportation around the city to make accessing our local neighborhood hubs equitable.

Goals for the Economic Revitalization funding include:

- Provide for long-term economic diversity, resiliency, and recovery
- Create jobs with strong pay, benefits, and respect
- Create a "Destination Seattle" opportunity for commerce, leisure, and community for residents, Seattle workforce, and regional, national, and international visitors
- Support local businesses

The spending oversight board as part of JumpStart Seattle will continue to provide guidance for how these dollars are spent in the out years, however working with OED, strategies could include improvements to

business areas in the city, including, for example, direct support to those hardest hit by COVID-19 and those left out of the federal recovery support. Strategies could include promoting economic activity by investing in:

- Direct support to local restaurants and establishments to partner with Seattle Parks to offer opportunities for street closures and enhancements to support small business. "Festival streets" highlighting local businesses, artists, musicians, restaurants, and amenities like shuttles between high activity areas during events.
- Enhanced community ambassador programs during high activity periods. Public restrooms and hygiene stations to create a more welcoming and safe environment for all, including tourists and residents of Seattle.
- Promote independent businesses and create a workforce consortium to retain or grow the workforce, linking reemployment services to spur recovery of our local economy.
- Support delivery of workforce protections, including priority hire and labor harmony, centering equity-oriented approaches to putting people back to work—but also into better jobs as fundamental to economic recovery. Facilitate the employment of workers for a wide range of job opportunities that offer career pathways and family-sustaining wages and benefits.

These are just some of the types of activities and investments Seattle could make as we reimagine how to rebuild our local economy in a more equitable way post COVID-19.

Let's Act Now

Investing in this infrastructure and our residents keeps Seattle working, creates jobs, injects more money back into our communities, and jumpstarts our economy. We are in the midst of a public health crisis and an economic crisis—this proposal is part of the medicine to address both. In the near term, food, housing and small business support help Seattleites survive the public health crisis. In the long term, supporting small businesses, working families, and our most vulnerable neighbors will actually jumpstart our economy by putting more money in peoples' pockets, which they'll in turn spend at large and small businesses. This will bring back more employees and drive Seattle's recovery. JumpStart Seattle promotes health, creates jobs, and helps save our economy.