

Chair Mosqueda’s Narrative Document about the 2023-24 Balancing Package

Despite looming economic uncertainty and the highest inflation in decades, this Balancing Package rejects austerity and prioritizes keeping our community cared for and housed, connected and resilient, and healthy and safe.



Less than two weeks after the City received a [dire economic forecast](#), projecting a net \$64 million decrease in the Real Estate Excise Tax, a net \$9.4 million decrease in General Fund, and a net \$4.5 million decrease in Sweetened Beverage Tax revenues over the biennium, the Balancing Package protects against austerity measures, funds historic investments into affordable housing and addressing homelessness, and prioritizes a city of the future through investments in climate resilience.

“There weren’t easy answers in this year’s budget, but there were core values to start from: transparency and accountability, investing in key and core city services for our working families and small businesses, and preventing cliffs in services and avoiding austerity to ensure a resilient economy,” said Chair Mosqueda.

Much of the 2023-2024 budget investments protect heavily stakeholdered policies and balance with the support from higher than anticipated revenue from the historic JumpStart Seattle progressive payroll tax, and use of the Short-Term Rental Tax and Transportation Network Company Tax to balance the budget. The Balancing Package immediately ends the temporary usage of these funds at the end of the biennium to allow for investments to grow in affordable housing, economic resilience, Green New Deal, transit investments, and the Equitable Development Initiative.

Throughout the 2022 Fall Budget deliberations, Council has engaged the community in dialogue about the Mayor’s proposed budget: convened two public hearings, eight public meetings, listened to hundreds of community members, and Councilmembers have proposed [100 amendments](#). That constant dialogue informed a budget that will work to move Seattle forward through the biennium, with key investments on core and emerging needs, such as:

- Human service provider inflationary increases to stay true to [previously passed legislation](#) and ensure our city's domestic violence, homelessness, and food security providers do not fall farther behind;
- Over \$20 million in Equitable Development Initiative projects that advance economic opportunity, prevent displacement, and meet community needs with developments that include things like housing, childcare, space for small business, cultural and community space;
- Over \$18 million in Green New Deal investments, including nearly \$4 million in investments to create community climate resilience hubs, \$3.6 million for indigenous-led sustainability projects, and \$1.8 million to community-led environmental justice projects;
- A \$18 million total investment into School Based Health Centers, including a new \$3 million investment in mental health services in schools in response to demand for more mental health providers in schools by students impacted by gun violence;
- Investment of \$1.5 million for abortion care to ensure access to comprehensive reproductive care for uninsured individuals in Seattle;
- An historic \$253 million investment into the Office of Housing for affordable housing - that is an over \$50 million increase over last budget for building rental housing, more supportive services, and first-time ownership opportunities only made possible by JumpStart, and more.

How It All Balanced

The balancing package restores codified spending plans developed by over one hundred organizations after the biennium:

- 1) The JumpStart Seattle spending plan investing in affordable housing, Green New Deal, the Equitable Development Initiative, and Economic Resilience, including workforce development
- 2) The Transportation Network Company tax, investing in transit-oriented housing, and transit projects
- 3) The Short-Term Rental tax, investing in Equitable Development, permanent supportive housing

The balancing package allows short term use of each fund to fulfill Seattle's bond commitments (Short Term Rental, Transportation Network Companies) and to avoid austerity (JumpStart Seattle).

But now there is a General Fund budget deficit brought on by an overall regressive tax system and previous budgetary practices that relied on one-time funding and annual underspend to balance future years. Regardless of how we came to this moment, we are united in opposition to an austerity approach to this shortfall which would hamstring Seattle's economic recovery and disproportionately impact those communities that Jumpstart targeted for support.

JumpStart Seattle's higher than anticipated revenue is used to avoid austerity during the biennium as the Seattle faces economic shortfalls. The remaining dollars, the spending plan as envisioned in 2020, largely funds the JumpStart Seattle steering committee's vision for spending. Key highlights through JumpStart Seattle in the balancing package include:

- A historic affordable housing budget - \$253 million in rental housing production, supportive personnel and services, and first-time homeownership options across our city.
- Support for our neighborhood and small businesses including \$2.75 million in 2023 for small business development capital, \$7 million in 2023 for commercial affordability, \$2.8 million in 2023 for downtown and neighborhood economic recovery.
- Support for workforce development and union hiring halls and support for workforce development to get more people into good living wage jobs and reward high-road employers.
- Massive Green New Deal investments, including nearly \$4 million in investments to create community climate resilience hubs, \$3.6 million for indigenous-led sustainability projects, and \$1.8 million to community-led environmental justice projects, and more.
- \$5 million for childcare provider worker wages because all other work is only made possible when the work of childcare providers are invested in.

SEIU 925 Vice President Cindy Elizalde [said](#), "Child care providers have been crucial to getting us through the pandemic and economic recovery. These grants will go a long way to help child care small business owners stay open so that kids can be safe and parents can work."

- Over \$20 million in Equitable Development Initiative projects that advance economic opportunity, prevent displacement, and meet community needs with developments that include things like housing, childcare, space for small business, cultural and community space.

Maintaining our commitment when we engage with community members deepens the community's trust and helps keep government transparent and accountable. While

there are not easy solutions during an economic downturn, we cannot make long-term decisions for what is, hopefully, a short-term problem.

What Is Included

Cared for and Housed



Housing and Homelessness

Housing and homelessness are two of the biggest challenges facing Seattle and our region. The pandemic has exacerbated existing housing insecurity, with disproportionate impacts on lower-income and BIPOC households, and with a growing shortage of affordable housing, rising rents, and inflation—many households are struggling to stay housed in our city. This budget makes historic investments into affordable housing, deepens our regional commitment to addressing homelessness, and invests in supporting the workers who operate permanent supportive housing, and provide outreach, services, and care for the most vulnerable.

This historic housing budget reflects the collective work over the last several years to ramp up our investments into affordable housing, for a 400% increase since Chair Mosqueda came into office. The City's investments into affordable housing went from roughly \$52 million in 2016, to around \$200 million in the 2022 adopted budget, to now \$253 million. The \$50 million increase is due to the planned and programmed JumpStart housing dollars now bringing the total up to \$253 million for the Office of Housing budget in 2023.

Housing investments both prevent people from becoming unhoused, and ensure that those who are unhoused have a place to go. The Balancing Package invests both in housing, homelessness prevention and homelessness services. There are large investments into KCRHA for regional coordination with partners at the County and

cities across the region, adding in important investments focused on supporting disproportionately impacted communities, maintaining COVID-era service levels, and investing in human-centered solutions that work. Some of these investments include:

- Near one hundred million total to KCRHA for regional coordination to address homelessness, including an additional \$3.9 million to continue COVID-era service levels and avoid a cliff impacting 20 programs across 12 agencies, \$87.7 in the mayor's proposed plus \$8.5 made through amendments in chair's package.
- Unified Care Team: Investing in Solutions Beyond Removals by partnering with KCRHA on geographically focused human-centered outreach and cleaning, hygiene, and sanitation services to meet people's needs year-round and help place people into stable housing and shelter as appropriate beds are available. Expanding the number of homelessness outreach workers who have ongoing relationships with encampments residents will allow better communication, enhance harm-reduction strategies, and provide data for stronger matching between an individual's needs and available housing and shelter resources. Expanding cleaning, sanitation, and trash removal services focused on maintaining a safe and health environment for everyone will help respond to neighborhood and site needs to help individuals and sites stabilize.
- \$350,000 in 2023 and 2024 to support workforce development for youth experiencing homelessness.
- \$220,000 in 2023 and 2024 to provide behavioral health outreach in the Chinatown/International District neighborhood.
- \$2.8 million in 2023 to support tiny home villages in 2023 before the homelessness authority re-bids all services in 2024.
- \$107,600 in 2023 to expand for vehicle residency outreach and parking offense mitigation, and more.

Support for Tenants

One of the most important ways to stem homelessness is to provide support needed for people to stay in their homes. To ensure renters who are struggling have the support they need to stay in their homes, this package includes funding for rental assistance to help households avoid eviction, as well as legal defense funding to ensure that renters in the eviction process are able to access their right to an attorney:

- \$1.5 million in rent assistance focused on helping households avoid eviction.
- \$450,000 in 2023 and 2024 to expand access to eviction legal defense.

Human Service Providers

“What we will not be doing is walking back on our promise. What we will not be doing is cutting your wages,” Mosqueda said. “We cannot care for our most vulnerable if we do not care for you.”

One of my top priorities, year over year, is ensuring not only that we invest in the homelessness crisis, but also in the providers who serve Seattle through their work on food security for our elders, kiddos, and families, domestic violence support for survivors, and homelessness outreach and support. Every year, I hear stories from human service providers, who are historically incredibly underpaid and face high turnover rates, about how they apply for the very services they provide to their clients. Our City cannot get ahead, and we cannot live our values, if we do not at least keep these workers from falling farther behind.

In terms of dollars and cents, without investments in human service providers, we don't have the staffing to open previously funded shelters and have a place for folks who are living on the street to be. We don't have people to staff food banks, deliver meals, or provide support for domestic violence survivors. That's why, in 2018 I proposed a one-time investment in human service inflation to prevent providers from falling farther behind. In 2019, I [championed legislation](#), not to get to wage equity, but to keep providers up with inflation.

“To solve our city’s biggest issues, we need a stable investment in our frontline workers - our human service providers - at least one that reflects the cost of inflation each year,” said Councilmember Mosqueda. “This cost of living increase for our service providers won’t solve all the budgetary issues faced by our non-profit partners, but it will help stabilize the foundation of those services - the people who deliver them. Thank you to all the human service providers whose advocacy, guidance, stories, and work helped make today’s legislation possible.”

That legislation had an [amendment](#), sponsored by Mayor Harrell (then Council President) and myself “to fund an annual adjustment in both periods of economic growth and in periods of economic hardship.” As we sit in a period of economic hardship, we must fund an inflationary increase for human service providers; the consequences of not doing so to our City services are dire.

I'm proud that this balancing package includes the legislatively required 7.6% inflationary increase for human service providers in 2023 as well as funding for a full inflationary increase in 2024.

Connected and Resilient

BUDGET PRIORITY

Connected & Resilient



Cities are on the front lines of multiple challenges as we face global economic uncertainty, deepening racial and economic disparities, and intensifying impacts of a changing climate. Building resilience for the future means investing in an equitable economy, building a connected and accessible city, and providing resources for communities to respond to climate change. This is not optional, and we do not have time to waste.

Economic Resilience and Equitable Growth

This budget invests in greater shared prosperity and equitable growth with JumpStart-funded investments to support our smallest businesses, funding for community-driven development to increase self-determination and build community equity, and investments to strengthen workforce equity, including:

- Support for our neighborhood and small businesses including \$2.75 million in 2023 for small business development capital, \$7 million in 2023 for commercial affordability, \$2.8 million in 2023 for downtown and neighborhood economic recovery.
- Over \$20 million in JumpStart Equitable Development Initiative investments to support community-driven projects that advance economic opportunity, prevent displacement, and meet community needs with developments that include things like housing, childcare, space for small business, cultural and community space.
- \$250,000 for the development of Community Investment Trusts to create opportunities for community investment, shared prosperity, and greater community ownership.
- Continuing investments in union jobs and a hiring hall for hire road employers.
- Investments into re-entry programs and homelessness workforce development.
- Enhanced investigation and capacity funding for the Office of Labor Standards to ensure stronger education and compliance with our labor standards.

Safe Streets and Transportation

Amid a dire economic forecast impacting infrastructure and transportation funding, this budget identifies new funding sources to continue critical projects and invest in safe streets, connected communities, and resilient infrastructure.

- Support for school zone safety improvements by doubling school zone cameras to increase revenues in future years, and inserting equity requirements to ensure that communities of color no longer have disproportionate placement.
- Increasing the Vehicle License Fee by \$10 dollars to invest in bike lanes, Vision Zero projects, and bridge maintenance over the next two years.
- Promoting pedestrian safe design treatments to more Seattle Department of Transportation planning, such as the Capitol Hill Super Block in the upcoming Transportation Plan, and supporting community engagement, planning and visioning efforts to transform rights-of-way into vibrant public spaces across the city.

Climate Resilience and Environmental Justice

JumpStart-funded investments to shore up communities, reduce greenhouse gas emissions, and support a just transition through green workforce development and fence-line community-driven strategies to tackle climate change, including:

- Almost \$4 million to create Climate Resilience Hubs designed by and led by communities most impacted, an investment category requested by the Green New Deal Oversight Board.
- \$1.8 million increase in the Environmental Justice Fund, an investment category requested by the Green New Deal Oversight Board.
- \$3.6 million to support Indigenous-led sustainability projects, an investment category requested by the Green New Deal Oversight Board.
- Investments into a healthy and resilient tree canopy, with a focus on underserved communities most impacted by environmental injustice - including a Chief Arborist position to oversee implementation of the Tree Equity and Resilience Plan, and tree planting in the City right of way in underserved communities.
- Climate justice workforce development position and focused workforce investments in communities most impacted by climate change, such as Duwamish Valley.

These are just initial down payments into one of the most pressing crises facing our city's health and sustainability now, and thus part of the reason we must adhere to the JumpStart spend plan.

Healthy and Safe

BUDGET PRIORITY

Healthy & Safe



Despite a grim budget forecast, we stayed true to our values and invested in public safety with a racial equity and justice lens, while staying away from major policy changes in the midst of the biennial budget. We invested in upstream community safety investments, while fully funding the hiring and recruitment plan as transmitted by the Mayor. The Mayor's proposed budget shifted some unfilled but funded positions to support ongoing investments in the General Fund, and that work will also support community safety approaches as well. This balance includes:

Community and Public Safety

- Investing in the full hiring and retention plan as passed by Council.
- Maintaining assumptions for recruitment and attrition as presented in the Mayor's proposed budget.
- Continuing the decision in the Mayor's proposed budget to shift funding for eighty unfilled but funded positions to the General Fund by making that ongoing, while maintaining the 120 positions and associated salary within the department for future use above and beyond the hiring plan.
- Maintaining the parking enforcement unit at SDOT while we launch an interdepartmental team to determine final department placement by April, all while funding additional overtime, bringing up the unit to 90 FTEs, funding supplies and new uniforms.
- Expanding the regional peacekeepers gun violence program.
- Funding for a workgroup to determine what emotional and practical support services could assist persons affected by death or injury caused by police.
- Evaluating emphasis patrol and the racial equity impacts.
- Funding a dual dispatch program for 911 calls that have a mental/behavioral health nexus so that any civilian 911 response is deployed.
- Requesting the City to negotiate with the County to take the \$2.9 million increase from expected savings from the King County Jail in 2023 and reinvest it into upstream solutions.
- Providing transparency on SPD's judgment and claims expenses, like many cities around the country, because transparency is [crucial](#).

- Maintaining Seattle Fire Department emergency response capacity by funding the medic unit at Fire Station 26 and the ladder truck at Fire Station 27 to continue to serve West Seattle and South Park.
- Funding Office of the Inspector General - one of the three legs of our city's police accountability structure - for reviewing SPD's surveillance technology, audit disclosure and timely responding to Public Disclosure Requests (PDRs).

The balancing package also includes a salary savings proviso to give greater transparency and oversight on how salary funding is proposed to be spent. These investments are coupled with the following efforts to invest in support for youth, health, education and arts programs that also help create healthier, more connected and safer communities.

Health Equity and Investments in Youth, Education, Arts, Culture

On the heels of an ongoing global COVID-19 pandemic, the future economic uncertainty due to rising inflation and global turmoil is only compounding already heightened levels of hardship, trauma and stress in community - that is why key investments in health, youth services and arts, are a core part of this Balancing Package. These investments improve community safety and well-being by:

- Expanding access to reproductive healthcare by investing in Northwest Abortion Access Fund (NWAAF) by bringing the total contribution to \$1.5 million to support abortion care following the Dobbs decision.
- Restoring investments in food access and food security that were slated for reductions due to the SSBT revenue and expiring federal funding, including the free, fresh produce program in the Central District for the emergency food fund.
- Adding funding for a dedicated phone line for crisis prevention and intervention services for first responders, creating a pilot program that will, for the first time in Seattle, send mental health professionals as leads in response to 911 calls responding to people in mental health crisis.
- Supporting therapeutic services for survivors of commercial sexual exploitation, domestic violence, and sexual assault and impose a proviso.
- Investing in the Station Space project at Union Station for new creative industry organizations, led by communities of color organizations.
- Directing funding for interactive and ADA accessible improvements to the AIDS Memorial Pathway.
- Supporting the Cultural Space Agency Public Development Authority with funding from JumpStart Economic Resilience investments.
- Investing in workforce development for youth experiencing homelessness
- And in the wake of the shooting at Ingraham High School, investing gun violence reduction as well as with \$3 million increased funding for mental health councilors to expand mental health services in School Based Health

Clinics, bringing the total investments in SBHC to \$18 million over the biennium.

These are just some of the ways we are investing in the health, safety, security and care of our city's working families, most vulnerable communities, and individuals who are trying to weather these compounding storms.

What Is Next

While we have a lot to celebrate about what is being accomplished in this Balancing Package, we also know we have a lot of work to do to finalize the budget and consider amendments. These investments and ideas were a collective effort from Councilmembers who brought for the amendments, and the Central Staff team and my office team who made it all balance. I took every opportunity to work with my Colleagues, the Mayor's office and members of the community to tackle growing needs and challenges in a thoughtful and careful way, I tried to steer clear of large policy shifts in the budget, and find the common ground with the Executive branch and the Legislative branch that allow for us to get through this budget and preserve larger policy questions for future deliberation, and at every turn try to take the temperature down and keep our city focused on investments that yield care and services.

None of this work would be possible without the short-term flexibility [offered by supporters of JumpStart](#) on the higher than anticipated revenue, but this is just a short-term, 2-year limited solution - among a few other revenue streams pulled together. While the staff's work is done to balance this budget, and it deserves immense respect and applause, to budget sustainability for the next biennium we must include new progressive revenue. We cannot continue with the short-term solutions delicately balanced in this biennial budget. I will work hard in 2023 with Senior Deputy Mayor Harrell, as co-chairs of the Seattle Revenue Stabilization Workgroup, and the community appointees and my colleagues to ensure our City has the progressive revenue tools we need.

What was true last year when we put a SLI in the budget requested progressive revenue, is true and maybe truer this year with our City's needs, we must have more, progressive revenue options. The revenue stabilization taskforce that has begun convening for their upcoming recommendations, and with that work we will hopefully never have to use stop gap measures like this for critical and core government services in the near future. I am hopeful with progressive revenue in future years, we can continue to build a Seattle that is housed and cared for, healthy and safe, and resilient and more equitable, as we are striving to do in this 2023-2024 Biennial Budget.