



CITY OF SEATTLE

June 29, 2020

Senator Patty Murray
2264 Rayburn House Office Building
Washington, DC 20515

Senator Maria Cantwell
511 Hart Senate Office Building
Washington, DC 20510

Dear Senator Murray and Senator Cantwell:

Thank you for your leadership in addressing the coronavirus crisis. We appreciate your efforts to help our nation overcome the public health, economic, and equity challenges created by the novel coronavirus. Since the COVID-19 crisis began, we have opened eight hygiene facilities around the city; distributed nearly \$4 million in grants to small businesses; provided grocery vouchers to low-income families; provided socially distanced shelter capacity and respite and recovery beds for people experiencing homelessness; provided emergency child care services for essential workers, including health care professionals, first responders, and grocery store workers; and we kept utility services on during the emergency. All of these actions have helped to keep our city and residents safe and helped to mitigate the impacts of the crisis. However, the need is still great and the revenues needed to provide programs have been affected. The City of Seattle is expected to face an at least \$300 million revenue shortfall for the remainder of 2020 and another \$300 million 2021.

As the Senate considers additional funding packages and given the House's "Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act" (H.R. 6800), we urge you to consider these priority areas of need in our community:

Increased Funding and Flexibility for the Coronavirus Relief Fund

We appreciate the \$1 trillion provided in the State and Local Fiscal Relief program in the HEROES Act that will allow the City to continue to provide critical response services, including shelter activities, and food and necessities distribution. Additionally, we appreciate the flexibility provided which will allow more time to spend the funding and to apply funding to lost revenue. This flexibility will help us maintain fire response and support critical programs—like after-school learning and senior nutrition programs for low-income residents—and retain jobs.

Eliminating the Non-Federal Cost Share for FEMA Public Assistance: Emergency incidents impact local communities, require local resources, response, and management by local officials. The COVID-19 response has placed an unprecedented burden on local governments struggling to provide essential

services while the economic crisis expands. Our City supports a 100 percent federal cost share for assistance provided under any Stafford Act declaration for the COVID-19 pandemic.

Increased Food Assistance

FEMA currently only funds food services for a narrow group of people. This definition leaves out people who have lost jobs due to the pandemic and gaps in the safety net for children during the evenings and weekends. We ask that FEMA provides more flexibility in food distribution in the pandemic.

Furthermore, we anticipate that existing sources of federal funding will be insufficient to cover the needs of our community and support the expanded funding for emergency food assistance programs in the HEROES Act, including the following:

- \$10 billion to increase the maximum household allowance for SNAP benefit by 15 percent through September 2021;
- \$1.1 billion to increase food access for pregnant women and mothers with young children through WIC;
- \$150 million to increase TEFAP to help local food banks meet increased demand for low-income Americans and those experiencing food insecurity due to COVID-19 during the emergency;
- Sustain Pandemic EBT through the multiple phases of the pandemic and implement flexibilities that give ready access to all children and adults impacted by the closures of schools, child care, or adult care, including young children and older adults who are eligible for meals under CACFP and have been negatively impacted by site closures; and
- \$3 billion in additional funding for Child Nutrition Programs and an expansion of these services to include evening and weekend meals for all members of families with school children who qualify for free and reduced-price meals.

Significantly Increase Resources for Housing and Emergency Shelter

We appreciate the nearly \$200 billion identified in the HEROES Act to bolster or create federal programs for housing and homelessness including, the Community Development Block Grant Program (CDBG), the Emergency Solutions Grant (ESG), Housing for Persons With AIDS (HOPWA), Fair Housing, emergency rental assistance, emergency housing vouchers, and a homeowner mortgage assistance fund to prevent thousands from becoming homeless. The City has already moved hundreds of unhoused residents out of overcrowded shelters and encampments into temporary facilities to comply with social distancing directives and has invested \$5 million in rent subsidies. However, the need far outpaces the City's current resources.

By supporting funding needed to shelter residents experiencing homelessness, we are not only targeting prevention strategies towards some of our most vulnerable populations to the virus, but we would also be helping to address an egregious disproportionality in our local Hispanic/Latinx, Black/African American, and Native American communities.

The guidelines for CDBG, ESG, HOME, and rental assistance should clarify that they should be eligible for both capital and operating costs for emergency housing, homelessness prevention, interim housing solutions such as prefabricated tiny homes, medium- and long-term rental assistance, and teardown of emergency and interim solutions after the crisis passes.

The City strongly supports the funding provided in the HEROES Act, including:

- \$100 billion for emergency rental assistance through the Emergency Rental Assistance and Rental Market Stabilization Act
- \$5 billion for CDBG, and \$11.5 billion for ESG
- \$75 billion for the Homeowner Assistance Fund

We must look for sustainable sources to expand our supply of affordable housing, keep renters and homeowners stably housed and provide support for people experiencing homelessness. Given the pandemic’s economic toll, the need for stable and affordable housing has never been greater.

- **Increase Funding for Affordable Housing**

- **Enhance the Low-Income Housing Tax Credit Program:** Enact a four percent Housing Credit rate to add certainty for investors and developers over the current floating rate and bring additional private equity to this powerful tool to finance affordable housing. Lower the “50 percent test” to a 25 percent threshold to allow states to stretch their bond allocation over more affordable housing projects.
- Increase critical funding sources including CDBG (\$5 billion), HOME, National Housing Trust Fund, HUD 202 and HUD 811.

- **Renter and Homeowner Stability**

- **Rental Assistance:** Provide \$100 billion for emergency rental assistance through the Emergency Rental Assistance and Rental Market Stabilization Act to provide short and medium-term rental assistance and housing relocation and stabilizations support for low-income renters struggling to meet housing costs.
- **New Emergency Vouchers:** Provide \$1 billion for the first year of funding for 100,000 new emergency housing vouchers for people who are homeless, at risk of homelessness or fleeing domestic violence. Note the City is advocating for a portion of these emergency vouchers to be permanent so they may be project based to provide permanent housing for individuals experiencing chronic homelessness in need of housing with supportive services. The Seattle Office of Housing is providing funding for the capital development of 500 affordable homes with supportive services on an accelerated timeline to address the COVID-19 public health crisis.
- **Homeowner Assistance Fund:** Provide \$75 billion for homeowner assistance through state housing finance agencies to help avoid a foreclosure crisis for low-income homeowners. Funds would provide assistance with mortgage payments, property taxes, and other housing payments and other foreclosure assistance to prevent defaults.

- **Sheltering People Experiencing Homelessness:**

- Provide \$11.5 billion for Emergency Shelter Grants and provide funding for staffing, leasing, renting, supplies, cleaning to allow long-term social distancing.
- Provide \$100 billion for break on all fronts and meeting the needs of its vulnerable populations, urge HUD to suspend the Continuum of Care competition and add a year of funding to 2019 grants.

Increase Assistance for Working Families

As more and more families are impacted by the crisis, our safety net is of vital importance. We urge you to:

- **Provide a Paycheck Replacement** that ensures workers maintain their ties to employers and their benefits throughout the pandemic by providing direct payments to individuals rather than relying on over-burdened unemployment systems.
- **Temporary Assistance for Needy Families (TANF)**: Increase TANF block grants to provide quick cash assistance or short-term emergency assistance.
- **Expand Access to Recovery Rebates and Extend Pandemic Unemployment Insurance**: Provide additional cash payments to individuals and ensure equitable access to (1) people who pay taxes with an Individual Tax Identification Numbers (ITINs), (2) non-citizen children without a SSN, and (3) minors who are high school- and college-age (ages 17-25) who are claimed as dependents. Further, remove the provisions of the CARES Act that stipulate that people who use ITINs for anyone in the family are excluded from receiving direct cash assistance, and that exclude “non-resident aliens” from receiving unemployment insurance.
- Continue to reduce/remove barriers for low-income and vulnerable populations to receive automatic assistance without additional paperwork.
- Extend the additional \$600 Unemployment Insurance benefit to ensure that while we continue to recover, people are able to afford their basic needs.

Sustained Economic Development Support

The impacts of staying home are impacting our economy on every level, from our small businesses to the City as an employer. We ask you to:

- Expand tax credit eligibility for government entities to cover paid and sick leave for COVID-19 employees.
- Authorize the Federal Reserve to buy municipal bonds, a key tool to finance necessary infrastructure and public projects, in order to stabilize municipal bond markets.
- Approve the bipartisan supported RELIEF for Main Street Act, creating a \$50 billion fund that would provide direct allocation to cities, counties and states to support local, small business financing needs
- Following expiration of Paycheck Protection Program on June 30, 2020, redeploy remaining PPP funds to enhance flexibility of SBA loan programs in support of ongoing and long-term recovery:
 - SBA to cover interest and principal payments on SBA loans for an initial 12-month period
 - Expiration date to qualify for introductory SBA payment of interest and principal changed to December 31, 2020. Currently, borrowers need to close their loans by September 2020 to qualify for the introductory SBA payment of interest and principal.
 - Partial loan forgiveness: following the introductory SBA payment of interest and principal, borrowers demonstrating that they have maintained payroll levels since loan closing will receive 20 percent forgiveness on the remaining balance of their SBA loan.
 - SBA increases guarantee to 100 percent for any SBA loans closed in the next 12 months.
 - For any SBA loans closed in the next 12 months, eliminate requirement for SBA lender to secure borrower’s personal residence as collateral.
 - For any SBA loans closed in the next 12 months, eliminate requirement for all business owners with 20 percent or more ownership interest to personally guarantee the SBA loan.

- Add \$1 billion to the CDFI Fund and provide equity investments for them to stabilize their own loan portfolios which have been hit hard by the crisis. Create a loan buyback program to purchase CDFI loans as was done for the 2009 downturn.
- Create a funding program that specifically targets low-income, immigrant, and minority-owned businesses with less than five FTEs that cannot access Small Business Administration (SBA) loans.

Increase Access to Essential Public Health Services

This crisis was a public health challenge first, and our first responders and our community still need resources to address the health and safety of our residents. As we begin to reopen, testing capacity is critical. We urge you to:

- Provide free testing, treatment, and prevention of COVID-19 for all people regardless of immigration status or insurance.
- Ensure access to adequate personal protective equipment for frontline workers and first responders through national stockpile.

Maintain Critical Utility and Transit Services

At a time when essential workers need transit more than ever, transit systems in Seattle and across the nation are suffering critical revenue shortfalls due to social distancing measures, which may in turn, necessitate major service cuts.

- **Additional funding to support transit:** Additional funding is needed to backfill lost revenue and increased costs (e.g., cleaning, PPE) for transit operators.
- **Rate Assistance for Vulnerable Residents and Utility Funding:** Given the current economic crisis, a new federal program is needed to provide rate assistance for low income residents to help pay for their water service. In addition, the City is committed to providing safe and affordable drinking water and sanitary services to all of its customers during this public health emergency. However, COVID-19 has triggered declining revenues and increased costs for Seattle Public Utilities (SPU) with drinking water, drainage and wastewater, and solid waste. Significant federal grant funds are needed to support SPU and utilities across the nation with ongoing work to continue to protect public health and the environment.
- **Increase Funding and Access to Low Income Home Energy Assistance Program (LIHEAP)** to help customers with growing unpaid balances. Seattle City Light has seen an increase in LIHEAP eligible customers applying for the utility's discount program with 85 percent referencing their income or work is impacted by COVID-19. One community agency serving Seattle City Light customers has already expended the additional LIHEAP funds included in the CARES Act.

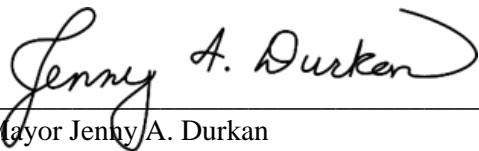
Protect Vulnerable Residents

This crisis is impacting everyone in our community including our immigrant and refugee populations. In order to respond to everyone affected, we ask you to:

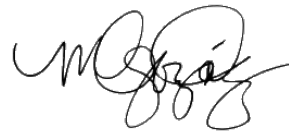
- Create a special program for at least 18 months for current DACA recipients that participate in our nation's health care response to COVID-19. Later, Congress should compensate these workers and their spouses and children by offering to make them immediately eligible for green cards when the emergency declaration has been lifted.
- Keep People from Falling Out of Status
 - Extend work permits for individuals with temporary relief.

- Extend USCIS filing deadlines; excuse late filings and grant automatic extensions of stays.
- CBP extends I-94 validity and implement a process to request satisfactory departure at all ports of entry.
- Stay at home orders help prevent the spread of coronavirus and keep more people healthy from infectious disease, but home is not a safe place for everyone. Additional federal funding is needed for sexual assault and domestic violence services as they adapt their service models to keep staff and clients safe, and respond to the increased need. Washington state has the structure in place to distribute these funds rapidly, but needs additional funding to provide expanded services. We need an additional \$100 million investment in the Sexual Assault Services Program through the Violence Against Women Act.

Thank you for your leadership during this nationwide pandemic. We appreciate your efforts to help our city maintain basic services and ensure our residents are supported during the public health and economic crisis.



Mayor Jenny A. Durkan



Council President M. Lorena González



Councilmember Lisa Herbold



Councilmember Debora Juarez



Councilmember Andrew J. Lewis



Councilmember Tammy J. Morales



Councilmember Teresa Mosqueda



Councilmember Alex Pedersen



Councilmember Kshama Sawant



Councilmember Dan Strauss