

2021 Adopted Budget Executive Summary

On November 23, 2020, following two months of intensive review and discussion, the Seattle City Council's Select Budget Committee approved the 2021 Adopted Budget, [Ordinance 126237](#). The full City Council voted 8-1 to approve the budget later the same day. As a result of its review and deliberations, the Council made a number of modifications to the Mayor's 2021 Proposed Budget. The purpose of this executive summary is to highlight the most significant elements of these changes. This summary of the changes in the adopted budget must be read in conjunction with the summary of the 2021 Proposed Budget, which describes the major elements of the budget as it was proposed to the Council by the Mayor (and follows this section).

Economy and Revenue

The Mayor's 2021 Proposed Budget was based on revenue forecasts that were completed by early August and based on July data. Pandemic induced economic conditions and forecasts continued to change and affect sectors of the economy and the City's revenues in different ways. In early November, the Budget Office prepared an update to the 2021 Proposed Budget forecast. Consistent with this update, the Council adopted a significant change of an additional \$32.5 million in General Fund revenues. Although a general improvement relative to earlier forecasts, primarily in Sales and Business & Occupations (B&O) taxes, the Council also adopted decreases in projected on-street parking and other revenue items. These adopted revisions continue to yield revenues well below the 2020 Adopted, pre-recession expectations, excluding the newly added Payroll Tax. The Council also adopted changes to 2021 Proposed Budget revenues in other funds, notably an increase of \$2.9 million in Real Estate Excise Taxes (REET) and decreases of \$9.5 million and \$9.1 million respectively in Commercial Parking tax receipts and School Zone Camera fines.

Community-Led Investments

In the Mayor's proposed budget, \$100 million in spending was to be invested in Black, Indigenous, and Communities of Color (BIPOC) communities, directed by a community-led Equitable Investment Task Force. The Council reduced that initiative to \$30 million and put a proviso requiring Council approval before the funding can be spent, and reallocated the \$70 million. A \$28 million reserve is created for a Participatory Budgeting process, where community directly decides how funding should be invested. The Strategic Investment Fund is also reestablished with \$30 million in funding, to invest in areas at high risk of displacement and areas of low access to opportunity. Finally, a \$12 million allocation is made in the Human Services Department for community-led public safety investments, as well as \$1 million in the Office for Civil Rights for community-based organizations providing alternatives to or addressing harm created by the criminal justice system.

Emergency Reserves and Backfill Funding to Departments

Due to the pandemic and decrease in revenues to the City, emergency reserves were utilized to keep the City in balance for 2020 and 2021. The Council in their balancing package moved \$34 million back to

the Emergency Fund, restoring a reserve that could be needed if economic conditions worsen, or the emergency requires additional spending.

City departments with revenue streams they collect also were hit hard by the pandemic. The Council included \$9 million for the School Safety Traffic and Pedestrian Improvement Fund, as well as \$9 million to the Seattle Department of Transportation to cover the reduction in Commercial Parking Tax revenues they were forecast to receive.

The proposed budget included many reductions in order to balance, including reductions to personnel. In response to the revenue forecast coming in higher during the Council phase, \$2.2 million was used to reverse position layoffs in the Human Services Department, Office of Economic Development, Office of Planning and Community Development, Seattle Department of Transportation, and Seattle Fire Department.

Public Safety

Policing and public safety continue to be a priority, and the Council made several changes as a part of their budget process. Instead of the proposed budget proposal for having the 911 call center as a separate department from the Seattle Police Department, a new Community Safety and Communications Center department is created, to include the call center, and including parking enforcement officers and community safety. Another \$9.8 million was reduced from the Seattle Police Department from their overtime budget and increasing savings assumed from vacancies.

Housing and Addressing the Needs of Those Living Unsheltered

The Council made a series of investments around homelessness and support for housing, including but not limited to: \$2 million to expand tiny home villages; \$1.4 million for a temporary tiny home village; \$1.7 million for property acquisition and study of Aurora Commons Redevelopment; \$1 million to increase homelessness outreach services; \$1 million for mobile crisis teams; \$750,000 to increase funding to maintain rapid rehousing; \$655,000 to support 24-hour operations at basic shelters; \$500,000 for renter tenant outreach, education and other services; and \$460,000 for eviction legal defense.