

2025 Budget Adoption Ordinance (CB 120905)
Amendment Group B: Potential Substitution for Voting Group A

	CBA / SLI #	Title	Sponsor*	Pg.
1	HSD-002-B-1	Increase HSD by \$3.2 million GF (2025) and \$2.7 million GF (2026) to support the start-up and operations of two new Tiny House Villages and impose a proviso	Moore	2

*Primary Sponsor



2025-2026 COUNCIL BUDGET ACTION

V1

HSD-002-B

Increase HSD by \$3.2 million GF (2025) and \$2.7 million GF (2026) to support the start-up and operations of two new Tiny House Villages and impose a proviso

SPONSORS

Cathy Moore, Rob Saka, Tanya Woo

FINANCIAL SUMMARY

Fund	2025 Increase (Decrease)	2026 Increase (Decrease)
General Fund	\$(3,200,000)	\$(2,678,000)
Total Budget Balance Effect	\$(3,200,000)	\$(2,678,000)

DESCRIPTION

This Council Budget Action (CBA) would increase proposed appropriations to the Human Services Department (HSD) by \$3.2 million in 2025 (one-time) and \$2.7 million in 2026 (ongoing) to fund the start-up and operational costs for up to two new Tiny House Villages (THV). Funding would be limited exclusively to THV projects utilizing tiny houses, such as those produced by Sound Foundations NW. Other project types, such as THVs containing pallet shelters or shelters utilizing non-congregate buildings, would not be eligible for funding under this CBA. Council's intent is to reserve a portion of the new units created through this CBA for unsheltered people in high impact areas that consistently have substantial encampments as substantiated by Unified Care Team data, such as Downtown, Little Saigon, Lake City, or Crown Hill at Carkeek.

Funding would include:

- \$1.9 million for start-up costs in 2025, related to site infrastructure, permitting, and the cost of the tiny house village units.
- \$650,000 of one-time funding in 2025; this assumes that projects will become operational in July 2025, so that only a half year of operating costs will be incurred.
- \$2.7 million in ongoing funding in 2026; this assumes a full year of operating costs and incorporates a 3% increase over what a full year of 2025 costs would have been, consistent with the projected 3% inflationary adjustment for HSD administered contracts in 2026.

The CBA assumes that it will take six months for a THV shelter to become operational. This provides time to issue a Request for Proposals, review and select the winning proposal, negotiate a contract, secure a site and complete any necessary permitting. Operational costs for THVs range from a low of \$22,000 to a high of \$56,000, with an average cost of \$35,000. Operational costs depend on a number of factors, including lease costs, needs and acuity of population being served, and on-site services offered. As such, the number of units possible with this funding ranges from 48-122, with 77 using the average cost of \$35,000 per unit for THVs. There are other cost longer-term considerations as well. For example, THVs are often located on sites that are only temporarily available - such as vacant land that will eventually be developed - and need their relocation costs to be covered in order to continue operations at another site.



2025-2026 COUNCIL BUDGET ACTION

The City of Seattle currently provides an estimated \$29 million in funding for at least 19 non-congregate shelters, including 17 THVs.

This CBA would impose the following proviso:

"Of the appropriations in the Human Service Department's budget for Addressing Homelessness (HSD - BO-HS-H3000 - Addressing Homelessness), \$3.2 million is appropriated solely for the start-up and operations of two new Tiny House Villages utilizing only tiny house units, such as those built by Sound Foundations NW."

This CBA worsens the projected ongoing operating deficit in the GF beginning in the 2027-2028 biennium by \$2.7 million.

ATTACHMENT: No

TRANSACTIONS - ONGOING

Dept	BSL	BCL	Year	Revenue	Expenditure
HSD	Addressing Homelessness	00100-BO-HS-H3000	2026		\$2,678,000

TRANSACTIONS - ONE-TIME

Dept	BSL	BCL	Year	Revenue	Expenditure
HSD	Addressing Homelessness	00100-BO-HS-H3000	2025		\$3,200,000