

## SUMMARY and FISCAL NOTE

<b>Department:</b>	<b>Dept. Contact:</b>	<b>CBO Contact:</b>
Mayor's Office	Jon Grant	Sarah Burtner

### **1. BILL SUMMARY**

**Legislation Title:** AN ORDINANCE relating to the City's response to homelessness; amending Ordinance 127362, which adopted the 2026 Budget, including the 2026-2031 Capital Improvement Program (CIP); changing appropriations to various departments and budget control levels, and from various funds in the Budget; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

**Summary and Background of the Legislation:** On January 15<sup>th</sup>, 2026 Mayor Katie B. Wilson announced a goal to open 1000 new shelter and emergency housing beds in 2026.

This piece of legislation is one in a package of three bills that takes several steps to advance that goal.

Specifically, this bill amends the 2026 Budget to make available resources to pay for capital and operating costs associated with standing up transitional encampment programs. The proposed changes impact two fund sources, the Downtown Health and Human Service Account, and the Low-Income Housing Fund. The Low-Income Housing Fund funding is sourced from Community Development Block Grant (CDBG) funds with the Office of Housing that were previously allocated for a revolving loan fund. Due to the federal regulations on this program, it went underutilized. This legislation uses that unappropriated fund balance for capital costs to stand up more shelter. The unappropriated fund balance in the Downtown Health and Human Service Account must be spent to benefit downtown Seattle and will support new programs to house unsheltered people living downtown.

The other two pieces of companion legislation also advance this effort by:

- Increasing the census limit for transitional encampments to 150 people per site citywide, and allow one site up to 250 people per council district. The current land use code limits the size of each transitional encampment to 100 people per site. This creates a significant barrier to efficiently use limited City-owned lands, in particular if there is already a smaller microshelter on the site that has the potential to be expanded.

When City-owned property is available, maximizing the number of persons served on a given site is a critical strategy for making spaces in tiny house villages available quickly. Given the limited number of City-owned sites, the most viable sites already have microshelter villages on them, and expanding those sites is hindered by the existing 100-person limit even though there may be significantly more land available to use on the site. Even on privately-owned sites, increasing the number of occupants in each transitional

encampment would increase the speed with which the overall number of spaces in tiny house villages can grow.

- Expanding the Director of Finance and Administrative Services (FAS) lease signing authority for land used for transitional encampments, and to allow rental costs at market rate. Under existing code the FAS Director is prohibited from signing a lease agreement if the land exceeds 18,000 square feet, and caps the cost per square foot. This proposal will increase the square foot limit to 65,000 square feet and allow a market rental rate for land. The average microshelter village exceeds the current square footage limit, and for a large site having rental costs capped below market significantly restricts the pool of available land for this use. As a result the work of securing sites rests with non-profit providers with an artificially narrow pool of site options, which can take months to secure a site and negotiate a lease. From the time funds are appropriated, procured, awarded, by the time land is secured through a lease this can result in seven to twelve months to stand up a program. However, if the FAS Director had discretion to sign a lease agreement at the front end of the process, and then turn the site over to a non-profit provider to build and operate the shelter program, it could reduce the timeframe to just 3-4 months to stand up a microshelter village.

**2. CAPITAL IMPROVEMENT PROGRAM**

Does this legislation create, fund, or amend a CIP Project?  Yes  No

**3. SUMMARY OF FINANCIAL IMPLICATIONS**

Does this legislation have financial impacts to the City?  Yes  No

<b>Expenditure Change (\$); General Fund</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>
<b>Expenditure Change (\$); Other Funds</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>
	<b>8,221,868</b>				

<b>Revenue Change (\$); General Fund</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>
<b>Revenue Change (\$); Other Funds</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>

<b>Number of Positions</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>
<b>Total FTE Change</b>	<b>2026</b>	<b>2027 est.</b>	<b>2028 est.</b>	<b>2029 est.</b>	<b>2030 est.</b>

**3.a. Appropriations**

**This legislation adds, changes, or deletes appropriations.**

<b>Fund Name and Number</b>	<b>Dept</b>	<b>Budget Control Level Name/Number</b>	<b>2026 Appropriation Change</b>	<b>2027 Estimated Appropriation Change</b>
Downtown Health and Human Service Account – General Trust Fund (15030)	HSD	Addressing Homelessness (15030-BO-HS-H3000)	1,589,440	
Low-Income Housing Fund (16400)	FG	Appropriation to Special Funds (16400-BO-FG-2QA00)	3,316,214	
Human Services Fund (16200)	HSD	Addressing Homelessness (15030-BO-HS-H3000)	3,316,214	
<b>TOTAL</b>			<b>8,221,868</b>	

**Appropriations Notes:**

**3.b. Revenues/Reimbursements**

**This legislation adds, changes, or deletes revenues or reimbursements.**

**3.c. Positions**

**This legislation adds, changes, or deletes positions.**

**3.d. Other Impacts**

**Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.**

Funding for any ongoing costs for future operation of the shelters resulting from this legislation will be identified as part of the Mayor’s 2027-2028 Proposed Budget.

**If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.**

N/A

**Please describe any financial costs or other impacts of *not* implementing the legislation.**

Studies continue to find that bringing people indoors and connecting them to services is the best practice to help support unsheltered people, and that such programs reduce overall costs on public services. A 2009 study in the Journal of the American Medical Association found that Downtown Emergency Service Center’s 1811 Eastlake housing-first program dramatically reduced costs on public services, where the average cost from a person experiencing homelessness was \$4,066 per month from corrections, shelter, substance use treatment, and healthcare costs, and after clients moved into 1811 Eastlake the average cost offset per person per month was \$2,449.

**Please describe how this legislation may affect any City departments other than the originating department.**

The Human Services Department will conduct a procurement process and manage funding awards for standing up and operating new shelter programs, the Department of Finance and Administrative Services will negotiate and execute lease agreements with property owners to facilitate siting of shelter programs, and conduct a capital needs assessment for preparing sites for transitional encampment use. The Seattle Department of Construction and Inspection will carry out the work plan called for in the proposed ordinance to inform permanent regulations regarding changes to census limits for transitional encampments.

**4. OTHER IMPLICATIONS**

**a. Is a public hearing required for this legislation?**

No.

**b. Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?**

No.

**c. Does this legislation affect a piece of property?**

No.

**d. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.**

- i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.**

Homelessness continues to impact the most vulnerable in our community. According to the 2024 *Point In Time (PIT)* report, 17% of the total homeless population are adult survivors of domestic violence, 34% are adults with a serious mental illness, 8% are veterans, and Black, Indigenous, and People of Color continue to be overrepresented.

This legislation would have a positive impact on vulnerable and historically disadvantaged populations by significantly expanding and accelerating the production of shelter and emergency housing options to give more people exit points from homelessness. By making deeper investments in behavioral health services and standing up more service rich environments for vulnerable people to receive onsite services, populations that typically lack access will benefit from these essential services.

**ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.**

Based on data from the King County Regional Homelessness Authority's *Point In Time* (PIT) report, Black and Indigenous people, and other People of Color are disproportionately represented in the homeless population in Seattle and King County. According to their 2024 PIT report 15% of people experiencing homelessness in King County identify as Black or African American while only making 7% of the total population countywide. 6% of people experiencing homelessness identify as American Indian, Alaskan Native, or Indigenous, but that group makes up less than 1% of King County's population.

**iii. What is the Language Access Plan for any communications to the public?**

N/A

**e. Climate Change Implications**

**i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.**

N/A

**ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.**

N/A

**f. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?**

N/A

**g. Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

No.

## 5. ATTACHMENTS

**Summary Attachments:** None.