



# SEATTLE CITY COUNCIL

## Finance, Native Communities, and Tribal Governments Committee

### Agenda

#### Special Meeting

Monday, March 30, 2026

9:30 AM

Council Chamber, City Hall  
600 4th Avenue  
Seattle, WA 98104

Dan Strauss, Chair  
Maritza Rivera, Vice-Chair  
Joy Hollingsworth, Member  
Robert Kettle, Member  
Rob Saka, Member

Chair Info: 206-684-8806; [Dan.Strauss@seattle.gov](mailto:Dan.Strauss@seattle.gov)

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**SEATTLE CITY COUNCIL**  
**Finance, Native Communities, and Tribal**  
**Governments Committee**  
**Agenda**  
**March 30, 2026 - 9:30 AM**  
**Special Meeting**

**Meeting Location:**

Council Chamber, City Hall, 600 4th Avenue, Seattle, WA 98104

**Committee Website:**

<https://seattle.gov/council/finance-native-communities-and-tribal-governments>

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*This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.*

Members of the public may register for remote or in-person Public Comment to address the Council. Please register in advance in order to be recognized by the Chair. Details on how to register for Public Comment are listed below:

Remote Public Comment - Register online to speak during the Public Comment period at the meeting at <https://www.seattle.gov/council/committees/public-comment>. Online registration to speak will begin one hour before the meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting.

In-Person Public Comment - Register to speak on the public comment sign-up sheet located inside Council Chambers at least 15 minutes prior to the meeting start time. Registration will end at the conclusion of the Public Comment period during the meeting.

Please submit written comments no later than four business hours prior to the start of the meeting to ensure that they are distributed to Councilmembers prior to the meeting. Comments may be submitted at [Council@seattle.gov](mailto:Council@seattle.gov) or at Seattle City Hall, Attn: Council Public Comment, 600 4th Ave., Floor 2, Seattle, WA 98104. Business hours are considered 8 a.m. - 5 p.m. Comments received after that time will be distributed after the meeting to Councilmembers and included as part of the public record.

*Please Note: Times listed are estimated*

**A. Call To Order**

**B. Approval of the Agenda**

**C. Public Comment**

Members of the public may address items on the agenda and matters within the purview of the committee. Please register in advance to be recognized by the Chair.

**D. Items of Business**

1. [CB 121184](#) **AN ORDINANCE relating to leases; expanding the Director of Finance and Administrative Services' authority to execute leases when the land is used for transitional encampment purposes; amending Section 3.127.020 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.**

*Supporting  
Documents:*

[Summary and Fiscal Note](#)  
[Central Staff Memo \(CBs 121184 & 121185\)](#)  
[Presentation](#)

**Briefing and Discussion**

**Presenters:** Aly Pennucci, Director, City Budget Office; Nicole Vallesterio-Soper, Director of Policy and Innovation, and Jon Grant, Mayor's Office

2. [CB 121185](#) **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.

Supporting  
Documents:

[Summary and Fiscal Note](#)

[Central Staff Memo \(CBs 121184 & 121185\)](#)

[Presentation](#)

[Proposed Amendments to CB 121185](#)

**Briefing and Discussion**

**Presenters:** Aly Pennucci, Director, and Daniel Kirk, City Budget Office; Nicole Vallesterro-Soper, Director of Policy and Innovation, Mayor's Office; Jennifer LaBrecque, Council Central Staff

**E. Adjournment**



Legislation Text

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File #: CB 121184, Version: 1

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CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

AN ORDINANCE relating to leases; expanding the Director of Finance and Administrative Services' authority to execute leases when the land is used for transitional encampment purposes; amending Section 3.127.020 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. Section 3.127.020 of the Seattle Municipal Code, enacted by Ordinance 123361, is amended as follows:

**3.127.020 Authority to execute leases for use by City Departments and agencies.**

\* \* \*

C. All leases executed pursuant to the authority of Section 3.127.020 shall conform to the following (( requirements)) provisions:

1. Rental payments for office space shall not exceed a rate of \$26 per square foot per year and the total square footage leased in any one calendar year shall not exceed 5,000 square feet for such space in any single building or other facility.

2. Rental payments for improved space other than office space shall not exceed \$10 per square foot per year, and the total square footage leased in any one rental agreement in any one calendar year shall not exceed 9,000 square feet for such space in any single building, structure, or other facility.

3. Rental payments for unimproved real estate, or land used for parking or open storage purposes shall not exceed \$6 per square foot per year, and the total square footage leased in any one rental agreement in any one calendar year shall not exceed 18,000 square feet for such space in any single building, structure, or

other facility. However, if the unimproved real estate or land is being leased for transitional encampments governed by Section 23.42.054 or Section 23.42.056, the total square footage leased in any one rental agreement in any one calendar year shall not exceed 65,000 square feet, and the price per square foot shall be as negotiated consistent with market rate.

4. The dollar amounts specified in subsections 3.127.020.C.1, 3.127.020.C.2, and 3.127.020.C.3 ~~((of this section))~~ shall be adjusted annually beginning February 1, 2011 by the percentage change in the annual Consumer Price Index For All Urban Consumers (CPI-U), All Items, Seattle-Tacoma-~~((Bremerton))~~Bellevue, WA Metropolitan Area (1982-84 = 100) for the preceding year as published by the U.S. Department of Labor, Bureau of Labor Statistics, or its successor; provided, that if the Consumer Price Index is discontinued or its base is changed, a comparable index shall be substituted.

5. The department or agency that is to occupy the premises to be leased shall have available to it sufficient funds to pay the Department of Finance and Administrative Services for its anticipated billing for the use of such space during the balance of the current budget year.

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2026, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

Katie B. Wilson, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

Scheereen Dedman, City Clerk

(Seal)

## 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 leases; expanding the Director of Finance and Administrative Services' authority to execute leases when the land is used for transitional encampment purposes; amending Section 3.127.020 of the Seattle Municipal Code; and ratifying and confirming certain prior acts.

**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:

This legislation will expand the lease signing authority of the Director of Finance and Administrative Services (FAS) 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.

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.

- Amending 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.

## 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

### 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.

This legislation may result in expanded work for FAS employees, including updating materials and training staff, but the work is anticipated to be absorbed using existing staff/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, 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.

March 24, 2026

**MEMORANDUM**

**To:** City Council  
**From:** Jennifer LaBrecque & Ketil Freeman, Legislative Analysts  
**Subject:** Three proposed Council Bills Related to Increasing Shelter Units

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**Introduction**

This memo describes three Council Bills (CBs), one of which will be going to the Land Use and Sustainability Committee (Land Use Committee) and two of which will be going to the Finance, Native Communities and Tribal Government Committees (Finance Committee). Because all three bills are part of the Executive’s strategy to quickly create new shelter units they are being discussed together in one memo. The three bills are shown in the table below.

**Table 1: Legislation, Committee and Schedule**

| CB Number                 | Committee         | Schedule  | Description   |
|---------------------------|-------------------|---|---|
| None (not yet introduced) | Land Use          | <ul style="list-style-type: none"> <li>Will be an information item on 4/1 Land Use Committee agenda</li> <li>Future schedule TBD</li> </ul>                         | Would increase census count, which is the number of allowed persons, for transitional encampments.  |
| <a href="#">CB 121184</a> | Finance Committee | <ul style="list-style-type: none"> <li>IRC on 3/24</li> <li>1<sup>st</sup> Committee on 3/30</li> <li>2<sup>nd</sup> Committee and potential vote on 4/7</li> </ul> | For sites being used as a transitional encampments, would allow the Director of the Department of Finance and Administrative Services (FAS) to execute leases for larger sites and would eliminate the maximum lease limit. |
| <a href="#">CB 121185</a> | Finance Committee | <ul style="list-style-type: none"> <li>IRC on 3/24</li> <li>1<sup>st</sup> Committee on 3/30</li> <li>2<sup>nd</sup> Committee and potential vote on 4/7</li> </ul> | Would allocate \$4.9 million of unused funding for new shelters.  |

This memo addresses the following:

1. Executive Plan to Increase Shelter Units
2. Summary and Analysis of the Three Pieces of Legislation
3. Policy Considerations
4. Timeline and Amendments

## 1. Executive Plan to Increase Shelter Units

The Executive has stated their goal is to increase shelter units by 1,000 in 2026, with the goal of standing up 500 by June 1, 2026, before World Cup games begin. One of the Executive’s main strategies to accomplish this goal is to increase the number and size of micro-modular shelters, sometimes known as tiny home villages. In summary, these three bills are intended to support an increase in micro-modular shelters by: (1) providing the Executive with the authority to secure larger sites for micro-modular shelters, (2) increasing the number of people allowed in transitional encampments, which include micro-modular shelters, and (3) allocating some funding for the first 500 units of new shelter.

### Current Micro-modular Shelters

The City currently funds 16 micro-modular shelters, as shown in Table 2, comprising 621 shelter units. The Low-Income Housing Institute (LIHI) operates 13 sites, Catholic Community Services (CCS) operates one, and Nickelsville operates two. The two Nickelsville sites use a self-management model with fewer supportive services. The other fourteen offer 24/7 staffing, case management, and many offer behavioral health services. Currently, the King County Regional Homelessness authority (KCRHA) manages funding for all City-funded shelters, including micro-modular shelters.

**Table 2: Current Micro-modular Shelters**

| Site                     | Provider     | Square Feet   | Units      | District |
|--------------------------|--------------|---------------|------------|----------|
| Camp Second Chance       | LIHI         | 30,000        | 69         | 1        |
| Georgetown               | LIHI         | 30,000        | 45         | 1        |
| Henderson                | LIHI         | 24,500        | 42         | 2        |
| Interbay                 | LIHI         | 37,000        | 76         | 7        |
| Maple Leaf               | LIHI         | 22,000        | 40         | 5        |
| New Rosie's              | LIHI         | 21,000        | 37         | 5        |
| Olympic Hills            | LIHI         | 22,000        | 45         | 5        |
| Southend                 | LIHI         | 21,500        | 40         | 2        |
| TC Spirit                | LIHI         | 12,000        | 24         | 3        |
| True Hope                | LIHI         | 13,500        | 33         | 3        |
| Northlake Village        | Nickelsville | 7,500         | 19         | 4        |
| Raven                    | LIHI         | 8,500         | 22         | 6        |
| Central District Village | Nickelsville | 5,000         | 14         | 3        |
| Brighton                 | LIHI         | 6,200         | 15         | 2        |
| Junction Point           | CCS          | 55,000        | 85         | 5        |
| Whittier Heights         | LIHI         | 7,000         | 15         | 6        |
| <b>Average:</b>          |              | <b>20,169</b> | <b>621</b> |          |

The average utilization rates for micro-modular shelters averaged 86 percent (not weighted), reflecting that they are often a desired form of shelter due to privacy, a door that locks, and

their ability to accommodate couples, families and pets. Reasons for the utilization rate being less than 100 percent include the time needed to turnover the unit to be ready for a new person. Exit rates for existing micro-modular shelters in 2025 ranged from 19 percent to 61 percent.<sup>1</sup> The average length of stay ranged from 106 – 177 days. Exit rates and length of stay can depend on a number of factors, including if new Permanent Supportive Housing (PSH) came online during the time period of analysis and the acuity needs of population being served.

## 2. Summary and Analysis of Legislation

### Legislation to Increase Census Count at Transitional Encampments

This legislation would allow one interim-use encampment per Council District to have 250 people. This increase would not apply to encampments located on property owned or controlled by a religious organization. The bill would also increase the limit for all other transitional encampments, whether interim use or on property owned or controlled by a religious organization, to 150. Transitional encampments, as defined in the Land Use Code, include both micro-modular shelters, such as tiny home villages, Recreational Vehicle safe lots, and tent cities.<sup>2</sup> The Executive has indicated that their primary focus is on micro-modular shelters and to some extent RV safe lots; they do not have plans at this time to expand the number of tent cities.

Transitional encampments are currently authorized in the city through two primary regulatory processes: (1) as interim uses and (2) as uses on property owned or controlled by a religious organization.<sup>3</sup> Key development standards associated with each process are summarized in Table 3. Fewer requirements apply to transitional encampments located on sites owned or controlled by religious organizations because of freedom-of-conscience limitations on local government regulation.<sup>4</sup>

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<sup>1</sup> Analysis excludes shelters that closed in 2025 or early 2026, shelters that opened in 2025 and the two Nicklesville micro-modular shelters.

<sup>2</sup> Transitional encampment” as defined in the Seattle Municipal Code means a use having tents or a similar shelter, including vehicles used for shelter, that provides temporary quarters for sleeping and shelter. The use may have common food preparation, shower, or other commonly-used facilities that are separate from the sleeping shelters [Seattle Municipal Code \(SMC\) 23.84A.038](#).

<sup>3</sup> Transitional encampments can also be permitted for renewable 6-month periods as temporary uses. However, that permit pathway has not been utilized as frequently since regulations for encampments accessory to religious organizations and interim use encampments were codified. Those regulations were initially codified in 2011 and 2015, respectively, and have been amended numerous times. Substantive provisions were most recently amended in 2020.

<sup>4</sup>See *City of Woodinville v. Northshore United Church of Christ*. 166 Wn.2d 633 (2009).

**Table 3. Summary of Current Land Use Code Regulations for Transitional Encampments**

| <b>Development Standard</b>              | <b>Interim Use</b>  | <b>Religious Organization Accessory Use</b>  |
|--|---|--|
| <b>Duration</b>                          | <ul style="list-style-type: none"> <li>• 1 year, may be renewed</li> </ul>  | <ul style="list-style-type: none"> <li>• Any length of time</li> </ul>   |
| <b>Location and Dispersion</b>           | <ul style="list-style-type: none"> <li>• Any zone</li> <li>• Must be at least 1 mile from other transitional encampments</li> </ul>   | <ul style="list-style-type: none"> <li>• Any zone</li> </ul>   |
| <b>Census</b>                            | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> </ul>   | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> </ul>                                  |
| <b>Maximum Number Permitted Citywide</b> | <ul style="list-style-type: none"> <li>• No more than 40 interim use encampments operating at any one time</li> </ul>   | <ul style="list-style-type: none"> <li>• No limit</li> </ul>   |
| <b>Development Standards</b>             | <ul style="list-style-type: none"> <li>• Screening along each property boundary</li> <li>• Encampment facilities must be set back from adjacent lots by 5-10 feet, depending on the zone</li> <li>• Site must be at least 5,000 square feet with 100 square feet of space per resident</li> </ul> | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> <li>• Life-safety standards</li> </ul> |
| <b>Outreach and Notice Requirements</b>  | <ul style="list-style-type: none"> <li>• Encampment operator must conduct a public meeting 14 days prior to applying for a permit</li> <li>• Encampment operator must convene a community advisory committee to provide input on encampment operations</li> </ul>                                 | <ul style="list-style-type: none"> <li>• None required</li> </ul>  |
| <b>Type of Permit</b>                    | <ul style="list-style-type: none"> <li>• Type I, non-appealable</li> </ul>  | <ul style="list-style-type: none"> <li>• No permit required</li> </ul>   |

Typically legislation that would amend the Land Use Code would require a review under the State Environmental Policy Act (SEPA) prior to Council taking final action. However, this legislation is being proposed as interim legislation, citing an imminent threat to public health and safety, and is only in effect for one year. The legislation includes a workplan from SDCI to complete SEPA review and develop and transmit permanent regulations in Winter 2027, prior to expiration of the interim legislation. The emergencies cited to justify the interim legislation include the 2015 Homelessness Emergency Order, which remains in effect, as well as the recent threats to federal Housing and Urban Development (HUD) Continuum of Care funding (CoC), especially for permanent supportive housing.

The Executive has cited several reasons for increasing the census count. First, there are some publicly owned sites available below market or at no cost that have the capacity to serve more than 100 people, but cannot due to the current census limit. Second, the Executive anticipates that larger sites can offer economies-of-scale. For example, 24/7 staffing is one of the main cost drivers of a micro-modular shelter. The number of staff during non-business hours, including

the night shift, could remain constant regardless of the number of people. Other positions – such as case managers or behavioral health specialists – would be variable based on the number of people.

Table 2 on page two of this memo shows the number of units at the 16 existing City-funded micro-modular shelters. The City does not currently have a census count for micro-modular shelters, but the Executive has provided assumptions that shelter serving individuals and couples would generally have 1.3 people per unit and a shelter serving families would have three people per unit. The micro-modular shelter with the most units is Junction Point (85 units), and it is estimated to serve between 85-100 people at any one time. The King County Regional Homelessness Authority estimates that in 2025, a little less than 20 percent of the units were used to house more than one person, indicating that micro-modular shelters do serve couples and families.

#### CB 121184 – Change Executive Authority to Allow Execution of Leases for Larger Sites that will be Used as Transitional Encampments

Under the current Seattle Municipal Code (SMC), the Director of Finance and Administrative Services is allowed to execute a lease agreement, without Council approval, for unimproved real estate if the site does not exceed 18,000 square feet (SF). CB 121184 would allow the FAS Director to execute leases for unimproved sites up to 65,000 SF. The justification for the 65,000 SF limit is that it is consistent with the recent SEPA exemption legislation<sup>5</sup> adopted by Council, in which site-specific projects under 65,000 do not require SEPA review. Additionally, the legislation allows the FAS Director to negotiate a price per SF that is “consistent with market rate” rather than being limited to \$9.50<sup>6</sup> per SF as currently required in the SMC. The Executive has stated that market prices currently range from \$2 - \$12 per SF.

If CB 121184 passes, the City would do the work of securing a site, obtaining permits, and, in some cases, completing necessary infrastructure upgrades before awarding funding to a provider for operations and services. Currently, a non-profit shelter provider is expected to secure a site, obtain permits and complete infrastructure upgrades after competing in a competitive process for a funding award. Identifying sites for micro-modular shelters has consistently been cited as one of the major, although not the only, challenge in establishing new micro-modular shelters. Having the City do this work– rather than individual providers – is intended to expedite the opening of a new shelter. Both the City and provider would do community outreach, with the provider responsible for any outreach required under the SMC.

As noted above, currently the FAS Director is only authorized to sign lease agreements for sites that are at or below 18,000 SF. However, most micro-modular shelters, even at the current census limit of 100 people, are larger than that. Of the 16 City funded micro-modular shelters, 9 of those are above 18,000 SF (ranging from 21,000 – 55,000). It should be noted that, especially

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<sup>5</sup> [Ordinance 127391](#).

<sup>6</sup> SMC 3.127.020 limited rental payments to \$6 per SF plus an inflationary adjustment beginning in 2011 and every year thereafter.

for publicly owned land, the site sizes may be bigger than is needed for the current unit count. The size needs for a site would increase if the census limit for the site also increases. If the Executive needed to obtain Council approval for sites larger than 18,000, that would likely slow down the process of standing up new shelter and may make it difficult to compete with other parties on the market, who could execute a lease more quickly.

#### CB 121185 – Re-allocate \$4.9 million of Unused Funding for New Shelter Units

The Executive has identified \$17.5 million in funding for new shelter units. They estimate that this is sufficient for partial year operations and start-up costs for at least 500 new shelter units. With this funding, the Executive is considering master leasing one or two apartment buildings as emergency housing, creating new micro-modular shelters and/or expanding existing shelters (both micro-modular and other shelter types).

At this point, there is no certainty about the number of units that will be created with this \$17.5 million and the ongoing operating cost obligations. Actual operating costs will depend on a number of factors such as acuity of population served, services offered, and cost of renting the site or apartment building. The Executive has stated an average per-unit operating cost of \$28,000, citing lower costs due to free or reduced public land and cost efficiencies for larger sites. A 2024 Central Staff analysis found that the average per-unit operating cost for micro-modular shelters ranged from a low of \$22,000 to a high of \$56,000 per unit, with an average per unit cost of \$35,000<sup>7</sup>. Assuming an annual operating cost of \$35,000, the total ongoing operational cost for a full year would be \$17.5 million. Operating costs in 2026 will be lower since these sites will be stood up mid-year and thus only have part-year operating costs. The Executive has estimated one-time capital costs to be between \$10,000-\$30,000 per unit depending on site condition and project type.

Table 4 on page seven of this memo shows the projected fund sources for the \$17.5 million, including those in CB 121185.

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<sup>7</sup> HSD-002-D - [CF 314539 - Council Changes to Proposed Budget and CIP](#) (Page 78)

**Table 4. Source of Funds for 500 New Units (Start-up Costs and 2026 Operational Costs)**

| Source  | Amount        | One-time or ongoing | Council Action Needed   |
|---|---------------|---------------------|---|
| OH Community Development Block Grant (CDBG)       | \$3.3         | One-time            | Included in CB 121185. Per CDBG rules, this funding must be expended before the CBDG-COVID dollars can be expended. |
| CDBG-Covid  | \$2.8         | One-time            | No Council action needed to spend for this purpose. These dollars expire on 7/16/2026.                              |
| Downtown Fund                                     | \$1.6         | One-time            | Included in CB 121185   |
| KCRHA 2025 Underspend (GF)                        | \$7.8         | One-time            | No Council action needed; administrative carry forward.   |
| Proviso for substance use treatment (HSD-060-A-1) | \$2.1         | On-going            | None if spent according to proviso  |
| <b>Total</b>                                      | <b>\$17.5</b> |                     |   |

CB 121185 allocates two unused sources of funding to assist the City with the cost of quickly standing up new micro-modular shelter. The first source is \$3.3 million in CDBG; this funding had been in Office of Housing (OH) and was from loan repayments made from two CDBG revolving loan funds, one for homeownership and one for multi-family housing. Council approval is needed to reallocate the \$3.3 million from OH to the Human Services Department (HSD) for shelter. Additionally, the Executive plans to use \$2.8 million in CDBG COVID funding; this does not need to be reallocated. The \$2.8 million in CDBG COVID funding expires in July 2026. According to CDBG rules, the CDBG program income from OH revolving loan repayments must be used first. Thus, the Executive must spend both sources of CDBG by July 2026. CDBG funding comes with multiple rules and regulations; it is possible that the Executive will not be able to identify a site in time that meets those requirements. In that case, the CDBG COVID funding would be lost, but the CDBG program income would continue to be available.

\$1.6 million is from the Downtown Health and Human Service Fund, part of a floor area bonus system for downtown developments, that was established in 1985 by [Ordinance 112602](#). The ordinance states the funds “shall be used solely to assist in the provision of downtown health and human services... for low-income downtown residents and workers.” The Executive’s determination is that the proposed use for new shelters fits this criterion. Funds are currently unallocated.

### 3. Policy Considerations

***Policy Consideration #1:*** Council is being asked to approve legislation to fund and facilitate the creation of the first 500 new shelter units – but without detail on actual costs and how the City will pay for those ongoing obligations associated with those units.

The Executive would be securing leases and awarding one-time funding for shelter operations without identifying long-term funding. Council would be pre-committing resources to ongoing obligations without understanding what difficult decisions and policy trade-offs will have to be to pay for them. Additionally, Council does not yet have certainty about the number of shelter units created with the \$17.5 million in initial funding or what the ongoing operating obligations will be for those units. Such pre-commitments would be happening in a moment where there is great uncertainty about whether or not King County, and Seattle, will continue to receive \$65 million in federal Continuum of Care Funding for permanent supportive housing projects and other services to support people experiencing homelessness<sup>8</sup>.

***Policy Consideration #2:*** While this package of legislation is likely to help facilitate the faster creation of new shelter units, it is not clear that 500 new shelter units can be accomplished by June 1, which the Executive has stated as their goal.

This package of legislation takes tangible steps to help facilitate faster creation of shelter units, by identifying unused funding that is available now, allowing the City to identify and secure sites for micro-modular shelters rather than shelter providers, and increasing the number of people that micro-modular shelters can serve. However, it is not at all clear that passage of this legislation would result in 500 new units of shelter by June 1, 2026, before World Cup games begin, which is the Executive’s stated goal. For example, the Executive has said that it takes 4 months from site control to have a micro-modular village become operational. Even if the Executive were able to secure leases by mid-April, that would put the earliest start date for operations is July 14. There are 6 world cup games in Seattle, 4 in June and 2 in July. The Executive may be able to stand up a modest amount of new shelter before June. In order to do so, the FAS signature authority bill is likely the most critical bill for the Executive to be able to secure sites and stand up new units before June 1, as they would need to secure sites soon to be able to do so.

Council should consider this package of legislation in the context that it will likely help facilitate the faster creation of new units in 2026, but not with the expectation that it will deliver 500 units by early summer.

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<sup>8</sup> [Continuum of Care Update at March 6 Human Services, Labor and Economic Development Committee.](https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB)  
(<https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB>)

***Policy Consideration #3: Throughput from shelter to permanent housing is a challenge and will be exacerbated by current lack of operating funding for more permanent supportive housing.***

Shelter itself has value, as it can provide a secure place for people experiencing unsheltered homelessness and a better opportunity to receive the services and support they need to stabilize. Shelter is also intended to be a temporary solution, with the end goal of a shelter resident moving to permanent housing. One of the major factors determining exit rates to affordable housing is the availability of housing that shelter residents can afford and that supports their long-term stability. Some shelter residents, although not all, have a permanent disability and need PSH in order to receive the services needed to remain stably housed. Others may not need services but do need a unit they can afford with an extremely low income.

Potential changes to the Continuum of Care Program by the federal Housing and Urban Development Department (HUD) will likely impact the availability of permanent housing programs for people exiting homelessness, including for PSH<sup>9</sup>. OH is currently not awarding capital funds to any new PSH projects, due to the uncertainties regarding federal Continuum of Care (CoC) funding for OMS<sup>10</sup>, along with uncertainties related to state funding for OMS. There is one PSH project (DESC Birch Grove) that will open this summer; after that no new PSH will open for the foreseeable future. OH does have over 2000 units that have been awarded capital funding in the pipeline, ranging in affordability from 30%-60% AMI. However, in many cases those units are still too expensive for people who are experiencing homelessness or do not offer the services needed to keep a person stably housed.

Council should anticipate future conversations about the need for housing and programs that can transition people out of shelter and into permanent housing.

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<sup>9</sup> [Continuum of Care Update at March 6 Human Services, Labor and Economic Development Committee.](https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB)

(<https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB>)

<sup>10</sup> In 2025, HUD released a CoC Notice of Funding Opportunity (NOFO) that would cap the amount of a CoC award that can be used for permanent housing to 30%. Currently, the King County CoC uses over 90% of its award for permanent housing programs, including operating, maintenance and services (OMS) contracts for PSH and Rapid Rehousing. Rapid Rehousing are programs that provide a short-term voucher (typically 12-18 months) for households exiting out of homelessness. While the HUD 2025 NOFO is currently under a temporary injunction, all indications are that future CoC NOFOs will continue to limit the amount going towards permanent housing.

#### 4. Timeline and Amendments

CB 121184 and CB 121185 will be discussed by the Finance Committee on March 30, with a discussion and possible vote on April 7. **The deadline for amendments is noon on Tuesday, March 31.** Central Staff encourages Councilmembers to reach out as soon as possible with potential amendment ideas, given the short timeframe between the initial discussion and potential vote.

The census count legislation, while not yet introduced, will be an information item at the Land Use Committee on April 1. The remaining schedule has not been finalized.

Central Staff strongly encourages Councilmembers to identify early on any amendments they wish to bring forward and discuss with Central Staff which of the three Council Bills is the best fit for their amendment idea(s). Generally, the subject matter for a potential amendment should be consistent with:

- The scope and purpose of the bill for which the amendment is proposed;
- The modality of municipal power invoked by the bill;<sup>11</sup> and
- The authority of the relevant department or office to implement or enforce the intent of the amendment.

For example, the census count legislation deals with the Land Use Code, which is enforced by SDCI. That department can enforce compliance with physical development standards and other Land Use Code procedural standards, but it cannot enforce compliance with the terms of lease agreements or contracts with service providers

cc: Lish Whitson, Director  
Calvin Chow, Deputy Director

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<sup>11</sup> The census count legislation relies on the City's police power authority to protect the public health, safety and welfare. CB 121184 and CB 121185 rely on the legislative departments budget authority and the City's authority to provide general governmental services.

# 2026 Shelter Expansion Council Bill (CB) 121184

Finance, Native Communities and Tribal Governments Committee  
March 30th, 2026


Mayor's Office: Policy & Innovation



Goal: 1,000 new units of shelter and emergency housing in 2026



Seattle is entering a period of major activity—from a busy summer season to FIFA 2026.



We must accelerate shelter expansion for more people to have a safe place indoors.

# Issue Identification

- Service providers are burdened with navigating permits, negotiating lease terms, and finding land suitable for standing up new shelter programs.
- Many service providers lack background in real estate and working with brokers.
- Typical microshelter programs exceed 18k square feet, ranging from 20k to 55k square feet.
- 7-9 months of delay can occur just in site selection, permitting, and negotiating lease terms.



# Policy Overview

Legislation that allows the Finance & Administration Services (FAS) Director greater flexibility in signing lease agreements relating to shelter programs.

- Increases the square footage limit from 18k square feet up to 65k square feet.
- Removes cost per square foot cap to allow market costs. The existing limit is tied to inflation and would otherwise be capped at \$9.50 per square foot.
- Enables the City to lease up sites and do initial prep work for raw land.

Impact: This would allow the city to select and prepare sites quickly to be turned over to shelter operators and significantly expedite the opening of new microshelter programs.



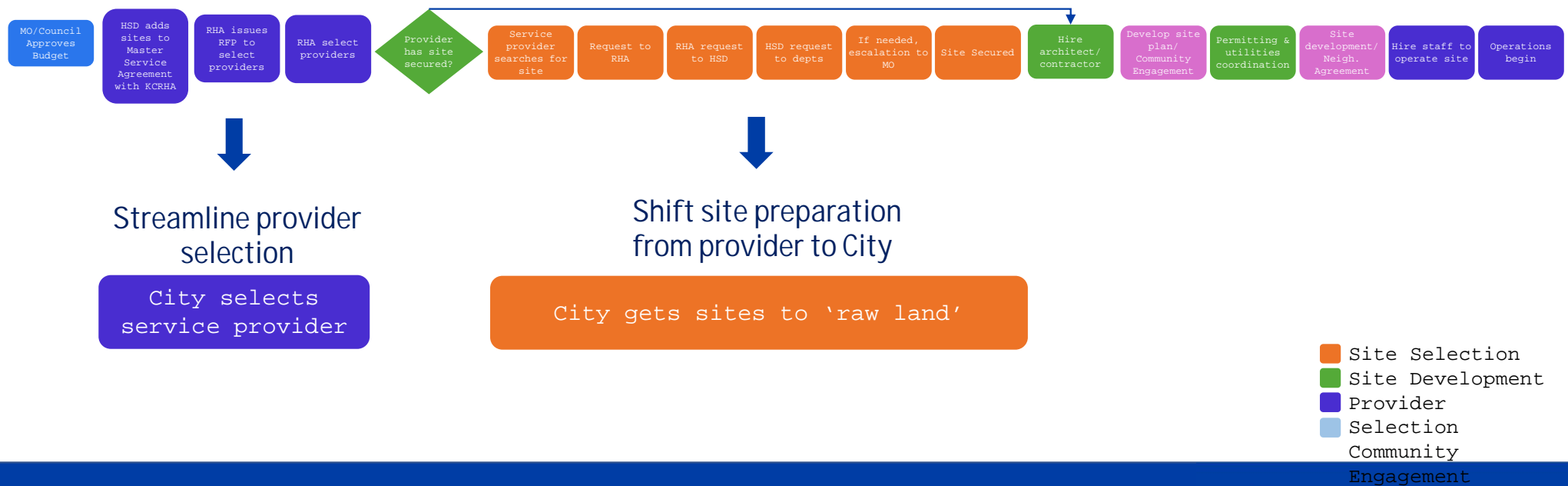
# Average Square Footage of Active Microshelters

Table 1: Current micro-modular shelters\*

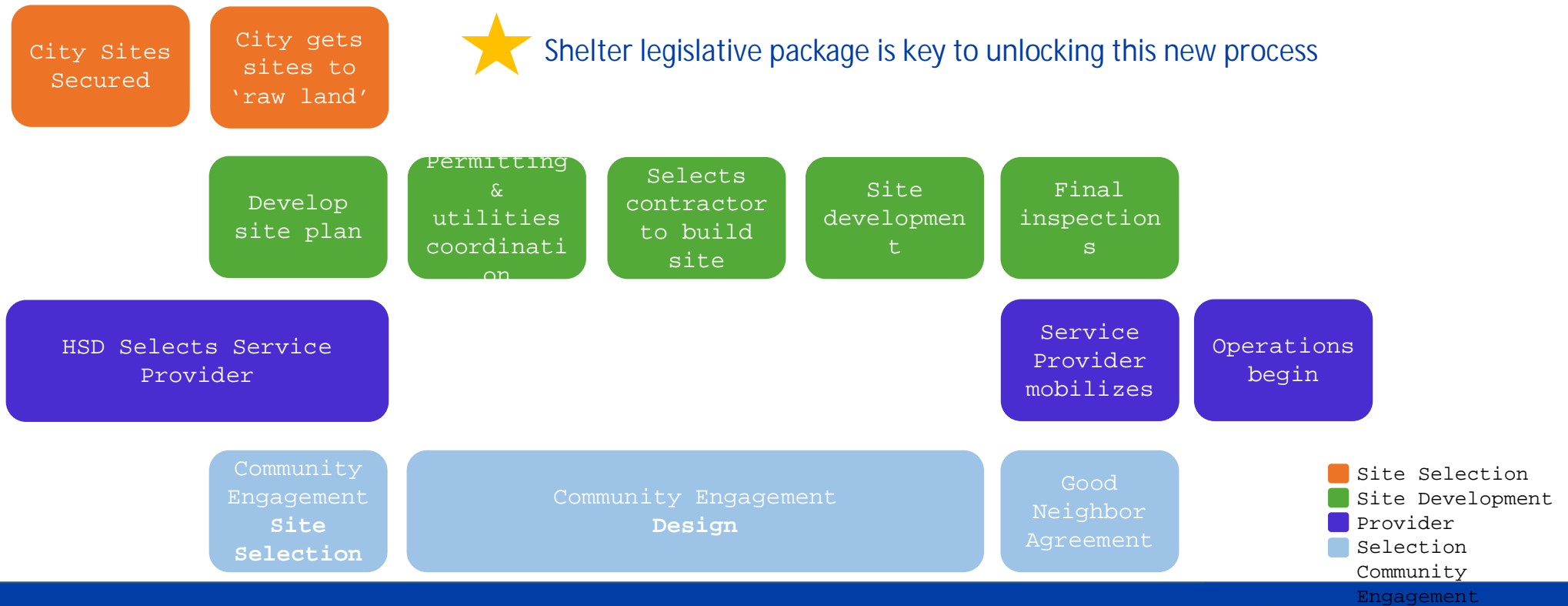
| Site               | Square Feet   | Units      | District |
|--------------------|---------------|------------|----------|
| Camp Second Chance | 30,000        | 69         | 1        |
| Georgetown         | 30,000        | 45         | 1        |
| Henderson          | 24,500        | 42         | 2        |
| Interbay           | 37,000        | 76         | 7        |
| Maple Leaf         | 22,000        | 40         | 5        |
| New Rosie's        | 21,000        | 37         | 5        |
| Olympic Hills      | 22,000        | 45         | 5        |
| Southend           | 21,500        | 40         | 2        |
| TC Spirit          | 12,000        | 24         | 3        |
| True Hope          | 13,500        | 33         | 3        |
| Raven              | 8,500         | 22         | 6        |
| Brighton           | 6,200         | 15         | 2        |
| Junction Point     | 55,000        | 85         | 5        |
| Whittier Heights   | 7,000         | 15         | 6        |
| <b>Average:</b>    | <b>22,157</b> | <b>588</b> |          |

\*This list does not include the Nickelsville Central District or Northlake sites, as those two shelters operating under a different model than what is being proposed in the transmitted legislation.

# Current process takes ~ 9-12 Months



# IDT-built process shrinks this to ~3-5 months





## Questions and Discussion

Mayor's Office: Policy & Innovation



Legislation Text

File #: CB 121185, Version: 1

CITY OF SEATTLE

ORDINANCE \_\_\_\_\_

COUNCIL BILL \_\_\_\_\_

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.

**BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

Section 1. In order to pay for necessary costs and expenses incurred or to be incurred in 2026, but for which insufficient appropriations were made due to causes that could not reasonably have been foreseen at the time of making the 2026 Budget, appropriations for the following items in the 2026 Budget are increased from the funds shown, as follows:

| Item         | Department                | Fund   | Budget Summary<br>Level/BCL Code                   | Amount (\$)      |
|--------------|---------------------------|--|--|------------------|
| 1.1          | Human Services Department | Downtown Health and Human Service Account - General Trust Fund (15030) | Addressing Homelessness (15030-BO-HS-H3000)        | 1,589,440        |
| 1.2          | Finance General           | Low-Income Housing Fund (16400)  | Appropriation to Special Funds (16400-BO-FG-2QA00) | 3,316,214        |
| 1.3          | Human Services Department | Human Services Fund (16200)  | Addressing Homelessness (16200-BO-HS-H3000)        | 3,316,214        |
| <b>TOTAL</b> |                           |  |  | <b>8,221,868</b> |

Section 2. Any act consistent with the authority of this ordinance taken after its passage and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect as provided by Seattle Municipal Code Sections 1.04.020 and 1.04.070.

Passed by a 3/4 vote of all the members of the City Council the \_\_\_\_\_ day of \_\_\_\_\_, 2026, and signed by me in open session in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

President \_\_\_\_\_ of the City Council

Approved / returned unsigned / vetoed this \_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

Katie B. Wilson, Mayor

Filed by me this \_\_\_\_\_ day of \_\_\_\_\_, 2026.

\_\_\_\_\_

Scheereen Dedman, City Clerk

(Seal)

## 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 (\$);<br/>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 (\$);<br/>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 (\$);<br/>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 (\$);<br/>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.

March 24, 2026

**MEMORANDUM**

**To:** City Council  
**From:** Jennifer LaBrecque & Ketil Freeman, Legislative Analysts  
**Subject:** Three proposed Council Bills Related to Increasing Shelter Units

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**Introduction**

This memo describes three Council Bills (CBs), one of which will be going to the Land Use and Sustainability Committee (Land Use Committee) and two of which will be going to the Finance, Native Communities and Tribal Government Committees (Finance Committee). Because all three bills are part of the Executive’s strategy to quickly create new shelter units they are being discussed together in one memo. The three bills are shown in the table below.

**Table 1: Legislation, Committee and Schedule**

| CB Number                 | Committee         | Schedule  | Description   |
|---------------------------|-------------------|---|---|
| None (not yet introduced) | Land Use          | <ul style="list-style-type: none"> <li>Will be an information item on 4/1 Land Use Committee agenda</li> <li>Future schedule TBD</li> </ul>                         | Would increase census count, which is the number of allowed persons, for transitional encampments.  |
| <a href="#">CB 121184</a> | Finance Committee | <ul style="list-style-type: none"> <li>IRC on 3/24</li> <li>1<sup>st</sup> Committee on 3/30</li> <li>2<sup>nd</sup> Committee and potential vote on 4/7</li> </ul> | For sites being used as a transitional encampments, would allow the Director of the Department of Finance and Administrative Services (FAS) to execute leases for larger sites and would eliminate the maximum lease limit. |
| <a href="#">CB 121185</a> | Finance Committee | <ul style="list-style-type: none"> <li>IRC on 3/24</li> <li>1<sup>st</sup> Committee on 3/30</li> <li>2<sup>nd</sup> Committee and potential vote on 4/7</li> </ul> | Would allocate \$4.9 million of unused funding for new shelters.  |

This memo addresses the following:

1. Executive Plan to Increase Shelter Units
2. Summary and Analysis of the Three Pieces of Legislation
3. Policy Considerations
4. Timeline and Amendments

## 1. Executive Plan to Increase Shelter Units

The Executive has stated their goal is to increase shelter units by 1,000 in 2026, with the goal of standing up 500 by June 1, 2026, before World Cup games begin. One of the Executive’s main strategies to accomplish this goal is to increase the number and size of micro-modular shelters, sometimes known as tiny home villages. In summary, these three bills are intended to support an increase in micro-modular shelters by: (1) providing the Executive with the authority to secure larger sites for micro-modular shelters, (2) increasing the number of people allowed in transitional encampments, which include micro-modular shelters, and (3) allocating some funding for the first 500 units of new shelter.

### Current Micro-modular Shelters

The City currently funds 16 micro-modular shelters, as shown in Table 2, comprising 621 shelter units. The Low-Income Housing Institute (LIHI) operates 13 sites, Catholic Community Services (CCS) operates one, and Nickelsville operates two. The two Nickelsville sites use a self-management model with fewer supportive services. The other fourteen offer 24/7 staffing, case management, and many offer behavioral health services. Currently, the King County Regional Homelessness authority (KCRHA) manages funding for all City-funded shelters, including micro-modular shelters.

**Table 2: Current Micro-modular Shelters**

| Site                     | Provider     | Square Feet   | Units      | District |
|--------------------------|--------------|---------------|------------|----------|
| Camp Second Chance       | LIHI         | 30,000        | 69         | 1        |
| Georgetown               | LIHI         | 30,000        | 45         | 1        |
| Henderson                | LIHI         | 24,500        | 42         | 2        |
| Interbay                 | LIHI         | 37,000        | 76         | 7        |
| Maple Leaf               | LIHI         | 22,000        | 40         | 5        |
| New Rosie's              | LIHI         | 21,000        | 37         | 5        |
| Olympic Hills            | LIHI         | 22,000        | 45         | 5        |
| Southend                 | LIHI         | 21,500        | 40         | 2        |
| TC Spirit                | LIHI         | 12,000        | 24         | 3        |
| True Hope                | LIHI         | 13,500        | 33         | 3        |
| Northlake Village        | Nickelsville | 7,500         | 19         | 4        |
| Raven                    | LIHI         | 8,500         | 22         | 6        |
| Central District Village | Nickelsville | 5,000         | 14         | 3        |
| Brighton                 | LIHI         | 6,200         | 15         | 2        |
| Junction Point           | CCS          | 55,000        | 85         | 5        |
| Whittier Heights         | LIHI         | 7,000         | 15         | 6        |
| <b>Average:</b>          |              | <b>20,169</b> | <b>621</b> |          |

The average utilization rates for micro-modular shelters averaged 86 percent (not weighted), reflecting that they are often a desired form of shelter due to privacy, a door that locks, and

their ability to accommodate couples, families and pets. Reasons for the utilization rate being less than 100 percent include the time needed to turnover the unit to be ready for a new person. Exit rates for existing micro-modular shelters in 2025 ranged from 19 percent to 61 percent.<sup>1</sup> The average length of stay ranged from 106 – 177 days. Exit rates and length of stay can depend on a number of factors, including if new Permanent Supportive Housing (PSH) came online during the time period of analysis and the acuity needs of population being served.

## 2. Summary and Analysis of Legislation

### Legislation to Increase Census Count at Transitional Encampments

This legislation would allow one interim-use encampment per Council District to have 250 people. This increase would not apply to encampments located on property owned or controlled by a religious organization. The bill would also increase the limit for all other transitional encampments, whether interim use or on property owned or controlled by a religious organization, to 150. Transitional encampments, as defined in the Land Use Code, include both micro-modular shelters, such as tiny home villages, Recreational Vehicle safe lots, and tent cities.<sup>2</sup> The Executive has indicated that their primary focus is on micro-modular shelters and to some extent RV safe lots; they do not have plans at this time to expand the number of tent cities.

Transitional encampments are currently authorized in the city through two primary regulatory processes: (1) as interim uses and (2) as uses on property owned or controlled by a religious organization.<sup>3</sup> Key development standards associated with each process are summarized in Table 3. Fewer requirements apply to transitional encampments located on sites owned or controlled by religious organizations because of freedom-of-conscience limitations on local government regulation.<sup>4</sup>

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<sup>1</sup> Analysis excludes shelters that closed in 2025 or early 2026, shelters that opened in 2025 and the two Nicklesville micro-modular shelters.

<sup>2</sup> Transitional encampment” as defined in the Seattle Municipal Code means a use having tents or a similar shelter, including vehicles used for shelter, that provides temporary quarters for sleeping and shelter. The use may have common food preparation, shower, or other commonly-used facilities that are separate from the sleeping shelters [Seattle Municipal Code \(SMC\) 23.84A.038](#).

<sup>3</sup> Transitional encampments can also be permitted for renewable 6-month periods as temporary uses. However, that permit pathway has not been utilized as frequently since regulations for encampments accessory to religious organizations and interim use encampments were codified. Those regulations were initially codified in 2011 and 2015, respectively, and have been amended numerous times. Substantive provisions were most recently amended in 2020.

<sup>4</sup>See *City of Woodinville v. Northshore United Church of Christ*. 166 Wn.2d 633 (2009).

**Table 3. Summary of Current Land Use Code Regulations for Transitional Encampments**

| <b>Development Standard</b>              | <b>Interim Use</b>  | <b>Religious Organization Accessory Use</b>  |
|--|---|--|
| <b>Duration</b>                          | <ul style="list-style-type: none"> <li>• 1 year, may be renewed</li> </ul>  | <ul style="list-style-type: none"> <li>• Any length of time</li> </ul>   |
| <b>Location and Dispersion</b>           | <ul style="list-style-type: none"> <li>• Any zone</li> <li>• Must be at least 1 mile from other transitional encampments</li> </ul>   | <ul style="list-style-type: none"> <li>• Any zone</li> </ul>   |
| <b>Census</b>                            | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> </ul>   | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> </ul>                                  |
| <b>Maximum Number Permitted Citywide</b> | <ul style="list-style-type: none"> <li>• No more than 40 interim use encampments operating at any one time</li> </ul>   | <ul style="list-style-type: none"> <li>• No limit</li> </ul>   |
| <b>Development Standards</b>             | <ul style="list-style-type: none"> <li>• Screening along each property boundary</li> <li>• Encampment facilities must be set back from adjacent lots by 5-10 feet, depending on the zone</li> <li>• Site must be at least 5,000 square feet with 100 square feet of space per resident</li> </ul> | <ul style="list-style-type: none"> <li>• No more than 100 residents per encampment</li> <li>• Life-safety standards</li> </ul> |
| <b>Outreach and Notice Requirements</b>  | <ul style="list-style-type: none"> <li>• Encampment operator must conduct a public meeting 14 days prior to applying for a permit</li> <li>• Encampment operator must convene a community advisory committee to provide input on encampment operations</li> </ul>                                 | <ul style="list-style-type: none"> <li>• None required</li> </ul>  |
| <b>Type of Permit</b>                    | <ul style="list-style-type: none"> <li>• Type I, non-appealable</li> </ul>  | <ul style="list-style-type: none"> <li>• No permit required</li> </ul>   |

Typically legislation that would amend the Land Use Code would require a review under the State Environmental Policy Act (SEPA) prior to Council taking final action. However, this legislation is being proposed as interim legislation, citing an imminent threat to public health and safety, and is only in effect for one year. The legislation includes a workplan from SDCI to complete SEPA review and develop and transmit permanent regulations in Winter 2027, prior to expiration of the interim legislation. The emergencies cited to justify the interim legislation include the 2015 Homelessness Emergency Order, which remains in effect, as well as the recent threats to federal Housing and Urban Development (HUD) Continuum of Care funding (CoC), especially for permanent supportive housing.

The Executive has cited several reasons for increasing the census count. First, there are some publicly owned sites available below market or at no cost that have the capacity to serve more than 100 people, but cannot due to the current census limit. Second, the Executive anticipates that larger sites can offer economies-of-scale. For example, 24/7 staffing is one of the main cost drivers of a micro-modular shelter. The number of staff during non-business hours, including

the night shift, could remain constant regardless of the number of people. Other positions – such as case managers or behavioral health specialists – would be variable based on the number of people.

Table 2 on page two of this memo shows the number of units at the 16 existing City-funded micro-modular shelters. The City does not currently have a census count for micro-modular shelters, but the Executive has provided assumptions that shelter serving individuals and couples would generally have 1.3 people per unit and a shelter serving families would have three people per unit. The micro-modular shelter with the most units is Junction Point (85 units), and it is estimated to serve between 85-100 people at any one time. The King County Regional Homelessness Authority estimates that in 2025, a little less than 20 percent of the units were used to house more than one person, indicating that micro-modular shelters do serve couples and families.

#### CB 121184 – Change Executive Authority to Allow Execution of Leases for Larger Sites that will be Used as Transitional Encampments

Under the current Seattle Municipal Code (SMC), the Director of Finance and Administrative Services is allowed to execute a lease agreement, without Council approval, for unimproved real estate if the site does not exceed 18,000 square feet (SF). CB 121184 would allow the FAS Director to execute leases for unimproved sites up to 65,000 SF. The justification for the 65,000 SF limit is that it is consistent with the recent SEPA exemption legislation<sup>5</sup> adopted by Council, in which site-specific projects under 65,000 do not require SEPA review. Additionally, the legislation allows the FAS Director to negotiate a price per SF that is “consistent with market rate” rather than being limited to \$9.50<sup>6</sup> per SF as currently required in the SMC. The Executive has stated that market prices currently range from \$2 - \$12 per SF.

If CB 121184 passes, the City would do the work of securing a site, obtaining permits, and, in some cases, completing necessary infrastructure upgrades before awarding funding to a provider for operations and services. Currently, a non-profit shelter provider is expected to secure a site, obtain permits and complete infrastructure upgrades after competing in a competitive process for a funding award. Identifying sites for micro-modular shelters has consistently been cited as one of the major, although not the only, challenge in establishing new micro-modular shelters. Having the City do this work– rather than individual providers – is intended to expedite the opening of a new shelter. Both the City and provider would do community outreach, with the provider responsible for any outreach required under the SMC.

As noted above, currently the FAS Director is only authorized to sign lease agreements for sites that are at or below 18,000 SF. However, most micro-modular shelters, even at the current census limit of 100 people, are larger than that. Of the 16 City funded micro-modular shelters, 9 of those are above 18,000 SF (ranging from 21,000 – 55,000). It should be noted that, especially

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<sup>5</sup> [Ordinance 127391](#).

<sup>6</sup> SMC 3.127.020 limited rental payments to \$6 per SF plus an inflationary adjustment beginning in 2011 and every year thereafter.

for publicly owned land, the site sizes may be bigger than is needed for the current unit count. The size needs for a site would increase if the census limit for the site also increases. If the Executive needed to obtain Council approval for sites larger than 18,000, that would likely slow down the process of standing up new shelter and may make it difficult to compete with other parties on the market, who could execute a lease more quickly.

#### CB 121185 – Re-allocate \$4.9 million of Unused Funding for New Shelter Units

The Executive has identified \$17.5 million in funding for new shelter units. They estimate that this is sufficient for partial year operations and start-up costs for at least 500 new shelter units. With this funding, the Executive is considering master leasing one or two apartment buildings as emergency housing, creating new micro-modular shelters and/or expanding existing shelters (both micro-modular and other shelter types).

At this point, there is no certainty about the number of units that will be created with this \$17.5 million and the ongoing operating cost obligations. Actual operating costs will depend on a number of factors such as acuity of population served, services offered, and cost of renting the site or apartment building. The Executive has stated an average per-unit operating cost of \$28,000, citing lower costs due to free or reduced public land and cost efficiencies for larger sites. A 2024 Central Staff analysis found that the average per-unit operating cost for micro-modular shelters ranged from a low of \$22,000 to a high of \$56,000 per unit, with an average per unit cost of \$35,000<sup>7</sup>. Assuming an annual operating cost of \$35,000, the total ongoing operational cost for a full year would be \$17.5 million. Operating costs in 2026 will be lower since these sites will be stood up mid-year and thus only have part-year operating costs. The Executive has estimated one-time capital costs to be between \$10,000-\$30,000 per unit depending on site condition and project type.

Table 4 on page seven of this memo shows the projected fund sources for the \$17.5 million, including those in CB 121185.

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<sup>7</sup> HSD-002-D - [CF 314539 - Council Changes to Proposed Budget and CIP](#) (Page 78)

**Table 4. Source of Funds for 500 New Units (Start-up Costs and 2026 Operational Costs)**

| Source  | Amount        | One-time or ongoing | Council Action Needed   |
|---|---------------|---------------------|---|
| OH Community Development Block Grant (CDBG)       | \$3.3         | One-time            | Included in CB 121185. Per CDBG rules, this funding must be expended before the CBDG-COVID dollars can be expended. |
| CDBG-Covid  | \$2.8         | One-time            | No Council action needed to spend for this purpose. These dollars expire on 7/16/2026.                              |
| Downtown Fund                                     | \$1.6         | One-time            | Included in CB 121185   |
| KCRHA 2025 Underspend (GF)                        | \$7.8         | One-time            | No Council action needed; administrative carry forward.   |
| Proviso for substance use treatment (HSD-060-A-1) | \$2.1         | On-going            | None if spent according to proviso  |
| <b>Total</b>                                      | <b>\$17.5</b> |                     |   |

CB 121185 allocates two unused sources of funding to assist the City with the cost of quickly standing up new micro-modular shelter. The first source is \$3.3 million in CDBG; this funding had been in Office of Housing (OH) and was from loan repayments made from two CDBG revolving loan funds, one for homeownership and one for multi-family housing. Council approval is needed to reallocate the \$3.3 million from OH to the Human Services Department (HSD) for shelter. Additionally, the Executive plans to use \$2.8 million in CDBG COVID funding; this does not need to be reallocated. The \$2.8 million in CDBG COVID funding expires in July 2026. According to CDBG rules, the CDBG program income from OH revolving loan repayments must be used first. Thus, the Executive must spend both sources of CDBG by July 2026. CDBG funding comes with multiple rules and regulations; it is possible that the Executive will not be able to identify a site in time that meets those requirements. In that case, the CDBG COVID funding would be lost, but the CDBG program income would continue to be available.

\$1.6 million is from the Downtown Health and Human Service Fund, part of a floor area bonus system for downtown developments, that was established in 1985 by [Ordinance 112602](#). The ordinance states the funds “shall be used solely to assist in the provision of downtown health and human services... for low-income downtown residents and workers.” The Executive’s determination is that the proposed use for new shelters fits this criterion. Funds are currently unallocated.

### 3. Policy Considerations

***Policy Consideration #1:*** Council is being asked to approve legislation to fund and facilitate the creation of the first 500 new shelter units – but without detail on actual costs and how the City will pay for those ongoing obligations associated with those units.

The Executive would be securing leases and awarding one-time funding for shelter operations without identifying long-term funding. Council would be pre-committing resources to ongoing obligations without understanding what difficult decisions and policy trade-offs will have to be to pay for them. Additionally, Council does not yet have certainty about the number of shelter units created with the \$17.5 million in initial funding or what the ongoing operating obligations will be for those units. Such pre-commitments would be happening in a moment where there is great uncertainty about whether or not King County, and Seattle, will continue to receive \$65 million in federal Continuum of Care Funding for permanent supportive housing projects and other services to support people experiencing homelessness<sup>8</sup>.

***Policy Consideration #2:*** While this package of legislation is likely to help facilitate the faster creation of new shelter units, it is not clear that 500 new shelter units can be accomplished by June 1, which the Executive has stated as their goal.

This package of legislation takes tangible steps to help facilitate faster creation of shelter units, by identifying unused funding that is available now, allowing the City to identify and secure sites for micro-modular shelters rather than shelter providers, and increasing the number of people that micro-modular shelters can serve. However, it is not at all clear that passage of this legislation would result in 500 new units of shelter by June 1, 2026, before World Cup games begin, which is the Executive’s stated goal. For example, the Executive has said that it takes 4 months from site control to have a micro-modular village become operational. Even if the Executive were able to secure leases by mid-April, that would put the earliest start date for operations is July 14. There are 6 world cup games in Seattle, 4 in June and 2 in July. The Executive may be able to stand up a modest amount of new shelter before June. In order to do so, the FAS signature authority bill is likely the most critical bill for the Executive to be able to secure sites and stand up new units before June 1, as they would need to secure sites soon to be able to do so.

Council should consider this package of legislation in the context that it will likely help facilitate the faster creation of new units in 2026, but not with the expectation that it will deliver 500 units by early summer.

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<sup>8</sup> [Continuum of Care Update at March 6 Human Services, Labor and Economic Development Committee.](https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB)  
(<https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB>)

***Policy Consideration #3: Throughput from shelter to permanent housing is a challenge and will be exacerbated by current lack of operating funding for more permanent supportive housing.***

Shelter itself has value, as it can provide a secure place for people experiencing unsheltered homelessness and a better opportunity to receive the services and support they need to stabilize. Shelter is also intended to be a temporary solution, with the end goal of a shelter resident moving to permanent housing. One of the major factors determining exit rates to affordable housing is the availability of housing that shelter residents can afford and that supports their long-term stability. Some shelter residents, although not all, have a permanent disability and need PSH in order to receive the services needed to remain stably housed. Others may not need services but do need a unit they can afford with an extremely low income.

Potential changes to the Continuum of Care Program by the federal Housing and Urban Development Department (HUD) will likely impact the availability of permanent housing programs for people exiting homelessness, including for PSH<sup>9</sup>. OH is currently not awarding capital funds to any new PSH projects, due to the uncertainties regarding federal Continuum of Care (CoC) funding for OMS<sup>10</sup>, along with uncertainties related to state funding for OMS. There is one PSH project (DESC Birch Grove) that will open this summer; after that no new PSH will open for the foreseeable future. OH does have over 2000 units that have been awarded capital funding in the pipeline, ranging in affordability from 30%-60% AMI. However, in many cases those units are still too expensive for people who are experiencing homelessness or do not offer the services needed to keep a person stably housed.

Council should anticipate future conversations about the need for housing and programs that can transition people out of shelter and into permanent housing.

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<sup>9</sup> [Continuum of Care Update at March 6 Human Services, Labor and Economic Development Committee.](https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB)

(<https://seattle.legistar.com/View.ashx?M=A&ID=1397376&GUID=886CA644-8E44-438B-AD8C-A6D8E07391FB>)

<sup>10</sup> In 2025, HUD released a CoC Notice of Funding Opportunity (NOFO) that would cap the amount of a CoC award that can be used for permanent housing to 30%. Currently, the King County CoC uses over 90% of its award for permanent housing programs, including operating, maintenance and services (OMS) contracts for PSH and Rapid Rehousing. Rapid Rehousing are programs that provide a short-term voucher (typically 12-18 months) for households exiting out of homelessness. While the HUD 2025 NOFO is currently under a temporary injunction, all indications are that future CoC NOFOs will continue to limit the amount going towards permanent housing.

#### 4. Timeline and Amendments

CB 121184 and CB 121185 will be discussed by the Finance Committee on March 30, with a discussion and possible vote on April 7. **The deadline for amendments is noon on Tuesday, March 31.** Central Staff encourages Councilmembers to reach out as soon as possible with potential amendment ideas, given the short timeframe between the initial discussion and potential vote.

The census count legislation, while not yet introduced, will be an information item at the Land Use Committee on April 1. The remaining schedule has not been finalized.

Central Staff strongly encourages Councilmembers to identify early on any amendments they wish to bring forward and discuss with Central Staff which of the three Council Bills is the best fit for their amendment idea(s). Generally, the subject matter for a potential amendment should be consistent with:

- The scope and purpose of the bill for which the amendment is proposed;
- The modality of municipal power invoked by the bill;<sup>11</sup> and
- The authority of the relevant department or office to implement or enforce the intent of the amendment.

For example, the census count legislation deals with the Land Use Code, which is enforced by SDCI. That department can enforce compliance with physical development standards and other Land Use Code procedural standards, but it cannot enforce compliance with the terms of lease agreements or contracts with service providers

cc: Lish Whitson, Director  
Calvin Chow, Deputy Director

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<sup>11</sup> The census count legislation relies on the City's police power authority to protect the public health, safety and welfare. CB 121184 and CB 121185 rely on the legislative departments budget authority and the City's authority to provide general governmental services.

# 2026 Shelter Expansion Council Bill (CB) 121185

Finance, Native Communities & Tribal Governments Committee

March 30, 2026



City of Seattle **50**

# 2026 Shelter Expansion - Cost Estimates

- Estimated 2026 costs for 500 shelter beds:

|                                  |                    |
|----------------------------------|--------------------|
| One-time start-up costs:         | \$9,000,000        |
| <u>Ongoing costs (6 months):</u> | <u>\$8,500,000</u> |
| Total estimated costs:           | \$17,550,000       |
- Estimated ongoing annual costs: \$17,000,000  
(2027 and beyond)
- Cost per unit: \$25k - \$45k (varies by program type)

# Council Bill 121185

| Item         | Department                | Fund   | Budget Summary Level/BCL Code                      | Amount (\$)       |
|--------------|---------------------------|--|--|-------------------|
| 1.1          | Human Services Department | Downtown Health and Human Service Account – General Trust Fund (15030) | Addressing Homelessness (15030-BO-HS-H3000)        | 1,589,440         |
| 1.2          | Finance General           | Low-Income Housing Fund (16400)  | Appropriation to Special Funds (16400-BO-FG-2QA00) | 3,316,214         |
| 1.3          | Human Services Department | Human Services Fund (16200)  | Addressing Homelessness (16200-BO-HS-H3000)        | 3,316,214         |
| <b>TOTAL</b> |                           |  |  | <b>8,221,868*</b> |

*\*Note: In total, this CB only authorize \$4.9M of spending. The \$3.3 million shown on lines 1.2 and 1.3 requires a two-step appropriation process to transfer funds from the Housing Fund to the Human Services Fund.*

# 2026 Funding Identified to date for Shelter

The Executive prioritized fund sources that were not committed for other purposes

| <i>Fund Source</i>                        | <i>Amount</i>       |
|---|---------------------|
| CDBG OH Revolving Loan Fund Conversion*   | \$3,300,000         |
| <i>CDBG-COVID</i>                         | <i>\$2,800,000</i>  |
| Downtown Fund*                            | \$1,600,000         |
| <i>KCRHA 2025 General Fund Underspend</i> | <i>\$7,750,000</i>  |
| <i>Proviso HSD-060-A-1</i>                | <i>\$2,100,000</i>  |
| <b>TOTAL</b>                              | <b>\$17,550,000</b> |

*\*Funds subject to Council approval via CB 121185*

# Federal Funds

- **Community Development Block Grant (CDBG) Office of Housing (OH) Revolving Loan Fund (RLF) Conversion: \$3.3M\***
  - CDBG RLFs use program income from previously awarded CDBG projects to make new awards
  - OH was unable to quickly award funding in some programs
  - In the 2025 budget, the RLFs were proposed to be dissolved and reallocated
  - To use the \$2.8M in CDBG-Covid (CV) funds that expire July 2026, these funds must be spent first
- **CDBG-CV: \$2.8M**
  - These are remaining CDBG funds from the CARES Act for cities to respond to COVID
  - These funds must have a nexus with COVID prevention
  - Must be expended by July 2026
  - All CDBG funds must comply with federal requirements for use

*\*Funds subject to Council approval via CB 121185*

# Downtown Fund and Proviso Funds

- **Downtown Fund: \$1.6M\***
  - Established in 1985 as part of a floor area bonus system for developers
  - Funds must be used for the provision of downtown health and human services
  
- ***Proviso HSD-060-A-1: \$2.1M***
  - Council proviso on \$2.85M GF for substance use treatment and recovery services
  - Of this amount, up to \$2.1M can be used for providing substance use disorder treatment and other behavioral health supports

*\*Funds subject to Council approval via CB 121185*

# King County Regional Homelessness Authority (KCRHA) Underspend

- ***KCRHA 2025 Underspend: \$7.7M***
  - At year-end close, \$20.5M in unexpended GF balance from the 2025 Budget
  - \$12.8 needed to pay for outstanding invoices and complete work
  - \$7.7M GF will be used for shelter expansion



# **Potential Amendments to CB 121185 (\$4.9 million for new shelters)**

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JENNIFER LABRECQUE, ANALYST

FINANCE, NATIVE COMMUNITIES, AND TRIBAL GOVERNMENTS COMMITTEE

MARCH 30, 2026

# Potential Amendments to CB 121185 (Slide 1 of 2)

| No. | Potential Amendment   | Sponsor |
|-----|---|---------|
| 1   | Affirm Council’s priority is to maintain existing Permanent Supportive Housing(PSH) and commit to collaborating with the Executive on maintaining PSH, creating new shelter units and addressing the structural budget gap. | Kettle  |
| 2   | The Mayor's Office should submit a report, due on September 14, 2026, on implementation of the first 500 shelter units and a plan for how the Executive plans to achieve 4,000 new units overall.                           | Kettle  |
| 3   | At least one of the new shelters should be exclusively for people in recovery from substance abuse disorders, and offer a clean and sober environment.  | Rivera  |
| 4   | Priority for shelter units should be given to people experiencing unsheltered homelessness in the neighborhood and district in which the shelter is located.  | Rivera  |
| 5   | The Executive should establish and enforce zones around each shelter in which no unsanctioned encampments are allowed.  | Rivera  |

# Potential Amendments to CB 121185 (Slide 2 of 2)

| No. | Potential Amendment  | Sponsor |
|-----|--|---------|
| 6   | The Executive should develop and implement a public safety plan to keep the area surrounding any new shelter safe, clean, and free of unsanctioned encampments.                          | Saka    |
| 7   | At least one third of newly created shelter units should be reserved for people experiencing homelessness in the neighborhood in which a new shelter is located, to the extent possible. | Saka    |