

## Director's Report and Recommendation Interim Transitional Encampment Expansion Ordinance

### Proposal Summary

This proposal is intended to advance Mayor Wilson's efforts to rapidly bring unhoused people inside and expedite the expansion of shelter and affordable housing. It is part of a package of legislation focused on the creation of new transitional encampments, which can include micro-modular 'micro' shelters, and allowing transitional encampments to serve more people. Expediting production of new and expanded microshelters provides lower cost, quickly deployable, temporary options to address unsheltered homelessness and responds to federal uncertainty around funding for development and operation of permanent supportive housing.

The subject of this report is [CB 121195](#), which amends Sections 23.42.054 and 23.42.056 of the land use code on an interim basis to expand transitional encampment capacity.

### Proposed amendments to Sections 23.42.0541 and 23.42.056 include:

1. Defining "micro-modular" structures, or small, prefabricated, temporary shelters, such as tiny homes
2. Raising maximum occupancy for vehicle- or micro-modular-based encampments:<sup>2</sup>
  - a. For both religious and non-religious sites, maximum occupancy increases from 100 people to 150 people
  - b. A single pilot site may increase occupancy up to 250; religious encampments are not eligible for this pilot program
3. Clarifying that encampments with temporary use permits that seek to continue operating under an interim use permit are subject to the above occupancy limits
4. Requiring encampments have a 150-person first-aid kit, rather than a 100-person kit

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<sup>1</sup> For the purposes of this report, encampments established under SMC 23.42.054 (transitional encampments located on property owned or controlled by a religious organization) will be referred to as "religious" sites, while encampments authorized under SMC 23.42.056 (transitional encampment as an interim use) will be referred to as "non-religious." The primary difference is that non-religious sites must go through a Type I Master Use Permit process and are subject to additional land use regulations.

<sup>2</sup> The existing 100-person occupancy limit for transitional shelters where most shelter space provided is in the form of tents is unchanged. These sites are also known as tent cities.

As set forth in the ordinance, this interim legislation will be effective for one year, pending development of permanent legislation and providing time for SDCI to collect relevant data and perform analysis to make recommendations regarding:

1. The appropriate maximum number of occupants per transitional encampment;
2. Whether the same maximum number should apply to all transitional encampments;
3. If a different maximum number of occupants should apply in different cases;
4. Whether there should be a limit to the total number of transitional encampments that are allowed a particular maximum number of occupants, separate from the 40-encampment limit in SMC 23.42.056.F.1; and
5. Whether there should be a dispersion requirement or other limitations for encampments that are allowed a particular maximum number of occupants.

Without accelerated action, hundreds of new microshelter units will be delayed. The bill waives the Title 23 requirement for a pre-adoption public hearing. The legislation is exempt from review under the State Environmental Policy Act pursuant to Seattle Municipal Code Section 25.05.880. A post-adoption public hearing will be held within 60 days of adoption.

## **Background**

The City of Seattle has had a [declaration of civil emergency regarding the homelessness crisis](#) in place since 2015. Homelessness has continued to worsen in the Seattle area. According to the King County Regional Homelessness Authority (KCRHA), as of the 2024 Point-in-Time Count, nearly 17,000 individuals experienced homelessness countywide, with 58% unsheltered. This is a 260% increase in homelessness from 2014. The King County Medical Examiner's Office reported 312 deaths of people presumed to be homeless in 2024, compared to 124 in 2015, an increase of over 150%.

The original legal framework for Seattle's tiny house villages was also created in 2015 by [Ord. 124747](#), which allowed no more than three non-religious transitional encampments in the city at once. This legislation included a sunset provision that prompted the City to enact transitional encampment reforms in February 2020, with [Ord. 126042](#). This ordinance created more opportunity for tiny house villages by expanding eligibility for encampments established under SMC 23.42.054 to sites "controlled" by religious organizations, in addition to sites owned by religious groups. It also raised the maximum number of non-religious encampments citywide from three to 40; allowed transitional

encampments in residential zones; and allowed encampment permits to be renewed in one-year increments. It retained the 100-occupant limit for individual encampments. In July 2025, a [presidential executive order](#) was announced, “ending support” for housing-first and harm-reduction programs and restricting how grants from federal agencies can be used by local governments. Many permanent supportive housing (PSH) programs in Seattle use evidence-based housing-first models. Federal Continuum of Care funds provided as much as 80% of funding for those PSH programs. Funds for 28 PSH buildings in Seattle will begin to expire in 2026 and lawsuits challenging federal cuts are unlikely to be fully resolved before existing contracts lapse; up to 4,500 PSH residents in Seattle and King County may be at risk of homelessness and displacement. Due to the lack of available federal, state, and county funding, the Seattle Office of Housing pipeline for developing new PSH has stopped. This will further limit options for Seattle’s homeless population to achieve long term stability and move out of shelter.

In April 2026, City Council adopted, and the Mayor signed, [Ord. 127423](#) and [Ord. 127424](#)—companion legislation to CB 121195, the subject of this report. Ord. 127423 is intended to facilitate the creation of new microshelters by enabling the City to easily lease properties as large as 65,000 square feet for use as transitional encampments. The intent of this companion bill is not for the City to directly provide shelter services at these leased sites, but for nonprofit providers to build and operate the microshelters. Ord. 127424 provides funding for additional shelter beds.

## **Analysis**

This bill allows for the expansion of an already authorized use and does not modify where shelters are allowed or otherwise reduce health and safety standards. It does not modify any other permitting regulations, such as setbacks and screening requirements.

Considering rising homelessness rates and disruptions to federal housing and shelter funding, additional options for local approaches to homelessness are urgently needed. Seattle’s land use code currently limits the size of each transitional encampment to 100 occupants per site, which creates a significant barrier to efficient use of available sites. There are a limited number of vacant properties in Seattle that meet feasibility criteria and have a property owner willing to allow interim use as a microshelter. The most viable sites are publicly owned and already host microshelters. Raising the occupant ceiling allows some existing microshelters to expand into underutilized land that is already known to be available and feasible for microshelter use. This will maximize the number of people served and accelerate the overall production of shelter beds.

### **Conclusions From Data**

Table 1 is an initial, high-level analysis that estimates the maximum potential for existing microshelters to expand under this proposal, factoring in land availability and occupancy by shelter type. These are not the only factors in determining actual maximum occupancy. **The purpose of this analysis is not to determine the feasibility of expanded occupancy at transitional encampment sites.**

Tent cities are not eligible for expanded capacity under the proposal, so they are not included in the table below. The table does not include transitional encampment sites currently in the permit pipeline, nor does it include proposed expansions of existing sites, as final site plan and occupancy may change. SDCI is currently tracking six proposals for new microshelter sites with 360 beds planned in total. Three sites are religious microshelters and three are non-religious microshelters. There is a median of 70 beds expected per site.

Occupancy data was provided for existing sites by the Seattle Human Services Department (HSD). HSD tracks the number of shelter “beds” and assumes one occupant per tiny home, tent, or other shelter space, as does the table below. Assuming some level of shared occupancy instead would not appreciably change this proposal, as the code amendments set a limit on the number of occupants per transitional encampment site, not on the number of beds.

Information on shelter type (religious, non-religious, or other) is tracked by SDCI. The King County Parcel Viewer is the source for land area data; “potential land area” includes the square footage for parcels that currently host a microshelter, plus the area of any adjacent vacant parcels that are either publicly owned or owned by the same property owner. All data was last updated on 4/27/2026.

SMC 23.42.056.B.5 requires non-religious transitional encampments to provide a minimum of 100 square feet of land area per occupant. In practice, the most compact non-religious micro-modular shelter currently in operation, Raven Village, provides approximately 400 square feet of land per occupant. Although this requirement does not apply to religious encampments—meaning microshelters authorized under SMC 23.42.054 could opt to provide less than 100 square feet per occupant—the densest existing religious micro-modular shelter, TC Spirit Village, also provides just over 400 square feet per occupant. As such, to analyze the expansion potential of existing micro-modular shelters under this proposal, the table below assumes micro-modular sites provide a minimum of 400 square feet of land area per occupant.

Table 1: Maximum potential number of beds at micro-modular shelters currently in operation

Site Name & Type	Potential Land Area (SF)	Current Bed Count	Potential Bed Count <sup>3</sup>	Potential New Beds	
<b>Non-religious THVs</b>		<b>Subtotal:</b>	<b>260</b>	<b>604</b>	<b>+344</b>
Camp Second Chance	340,000	69	250	+181	
Interbay Village	118,000	76	150	+74	
Georgetown Village	44,000	45	110	+65	
True Hope THV	22,000	33	55	+22	
Whittier Heights Village	7,000	15	17	+2	
Raven Village	9,000	22	22	-	
<b>Religious THVs</b>		<b>Subtotal:</b>	<b>313</b>	<b>500</b>	<b>+187</b>
Junction Point	131,000	85	150	+65	
Rosie's THV	32,000	37	80	+43	
Southend Village	28,000	40	70	+30	
Maple Leaf Village	24,000	40	60	+20	
Olympic Hills Village	24,000	45	60	+15	
Henderson Village	22,000	42	55	+13	
TC Spirit Village	10,000	24	25	+1	
<b>Legacy THVs</b>		<b>Subtotal:</b>	<b>33</b>	<b>35</b>	<b>+2</b>
Central District Village	6,000	14	15	+1	
Northlake Village	8,000	19	20	+1	
<b>Total:</b>		<b>606</b>	<b>1,139</b>	<b>533</b>	

Under this proposal, a single non-religious micro-modular shelter site citywide can increase capacity to up to 250 occupants. Table 1 depicts a scenario where Camp Second Chance is selected for that pilot. Interbay Village and Junction Point could fit 250 occupants if chosen as alternate pilot sites or if the pilot were expanded. As a religious encampment, Junction Point would need permits to convert to a non-religious encampment under SMC 23.42.056 to access this code-authorized additional capacity.

Two tiny home villages in the table above are considered legacy sites, initially established during the COVID-19 emergency. These sites could seek new permits to expand authorized capacity, but space is extremely limited on both properties, making expansion impractical.

In addition to site size impacts analyzed above, potential occupant capacity will also be limited by the presence of steep slopes and existing structures, available utility service,

<sup>3</sup> Only sites with over 100 potential occupants would need to utilize this proposal to increase capacity.

and other site conditions. Georgetown Village, for instance, theoretically has land area for 65 additional microshelter beds, but most of that extra land is in active use by Fire Station 27 and not available for microshelter expansion. Even sites that do increase occupant capacity above the current 100-occupant threshold may still not be able to expand to a full 150 or 250 occupants.

### **Financial Considerations**

Various budgetary factors influence the extent to which increased microshelter capacity can be fully utilized. If the City pursues higher-cost implementation options, fewer new beds could be created with current shelter expansion funding.<sup>4</sup>

Depending on final implementation direction, several adopted amendments to companion ordinance 127424 have the potential to raise initial setup and operating costs for shelter programs, which would limit the ability to fund the full increase in transitional encampment capacity. Examples include:

- Larger alternatives to microshelters that may better accommodate families but could also trigger additional permitting requirements and associated permit fees<sup>5</sup>
- Integrating Crime Prevention Through Environmental Design (CPTED) into shelter design and operations
- Increased documentation requirements, such as public safety plans, which may also lengthen initial permit review timelines
- Capacity building for new service providers and shelter operators to serve populations disproportionately impacted by homelessness

Other potential cost drivers include:

- Increased staffing costs to serve high-acuity populations with complex needs
- Higher rental costs for privately owned land used for shelter sites, in the event there are not enough vacant, feasible public sites to meet shelter expansion goals

SDCI's permitting and associated inspection work for these projects is funded primarily through permit fees, when permits are required. Those fees are established under the

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<sup>4</sup> Financial analysis of estimated costs for these listed options and potential effectiveness of these options in reducing homelessness or protecting public health and safety is not within the scope of this report.

<sup>5</sup> Structures 120 square feet or smaller are generally treated as accessory buildings that require no or minimal permitting. A typical tiny home structure is 8'x12,' or 96 square feet.

City's Fee Subtitle and governed by statutes (RCW 82.02.020), which limit local governments' ability to impose development-related fees and charges except as authorized. Accordingly, SDCI's permit fees are structured as cost-recovery fees for eligible Departmental costs, including processing and reviewing applications, plan review, and inspection work. Without those fees, General Fund support or another lawful appropriation would be necessary to cover the Department's associated review and inspection costs.

Based on infrequency of these encampment projects, SDCI does not have sufficient data to produce a reliable per-bed estimate of fee revenue associated with future shelter expansion. As more permit-intensive shelter projects are developed under this legislation, associated permit fee revenue could increase accordingly. A preliminary review of recent permit activity suggests that construction permit fees for those projects have been roughly in the \$5,000 to \$15,000 range per site, with electrical permit fees roughly in the \$1,000 to \$3,000 range per site, for a very preliminary combined range of approximately **\$6,000 to \$18,000 per site**. Actual future revenue would depend on the number and type of sites developed, the scope of construction and utility work, and whether particular projects follow different permitting pathways or qualify for exemptions, including projects on sites owned or controlled by religious organizations.

For illustration only, if 40 similar permit-intensive sites were developed over time, that would suggest a broad fee range of roughly \$240,000 to \$720,000, though actual revenue for SDCI's review and inspection functions could vary substantially depending on the mix of shelter types and permitting requirements. This estimate does not include fees from other permitting departments.

### **Consistency With Comprehensive Plan Goals and Policies**

The proposal aligns with and supports relevant goals and policies of the One Seattle Comprehensive Plan, including:

- H G8** Homelessness is rare and brief, people experiencing homelessness secure housing and supportive services, and shelter is available as an interim, emergency step toward permanent and stable housing.
- H 8.1** Implement strategies and programs that preserve, improve, and expand Seattle's supply of permanent supportive housing, emergency housing, and shelter to meet all current and projected future needs.

- H 8.4** Collaborate with King County and other jurisdictions in efforts to prevent and end homelessness and focus those efforts on providing permanent housing with supportive services, expanding safe temporary shelter, and securing the resources to do so.
- H 2.3** Promote the production of housing with lower market price points, including by removing regulatory barriers to the development of social and affordable housing, to meet Seattle's projected 20-year affordable housing needs.<sup>6</sup>
- LU 4.1** Allow for flexibility in development standards so existing structures can be maintained and improved and new development can respond to site-specific conditions.

## **Public Outreach**

Public and stakeholder outreach for this proposal has been led by the Mayor's Office, Innovation and Performance (IP), and HSD.

A Shelter Acceleration Launch Discussion was held in March 2026 with organizations including Purpose Dignity Action (PDA), LIHI, Evergreen Treatment Services, Therapeutic Health Services, Catholic Community Services, Chief Seattle Club, and DESC. Participants had expertise in building, operating, and servicing micro-modular shelters, such as tiny house villages. Topics covered siting criteria, site development, community engagement, shelter operations, referral processes, public safety considerations, and onsite behavioral health and medical services. HSD also met with representatives from Public Health Seattle King County and King County's Health Through Housing program in March and April 2026, respectively, to cover similar topics.

Mayor Wilson hosted a Community Briefing on Shelter Expansion in April 2026 to share information on and take questions about her shelter expansion plan, including this transitional encampment capacity bill and related budget and FAS signing authority legislation. Participants included business, neighborhood, and service provider stakeholders, such as Purpose Dignity Action (PDA), Downtown Seattle Association, and neighbors to the Olympic Hills Tiny Home Village. The community event was broadcast by

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<sup>6</sup> Washington state requires jurisdictions to “plan for and accommodate [housing affordable to all incomes](#),” including emergency housing, emergency shelters, and permanent supportive housing for individuals or families who are homeless or at imminent risk of becoming homeless.

the Seattle Channel and shared online, expanding engagement opportunities and accessibility via closed captioning and auto-translation features.

To provide additional time to explore these and related topics, a Provider Summit is scheduled for May with several more organizations and government entities involved in development, operations, and services for micro-modular shelter, RV safe lots, and shelter using master-leased buildings.

### **Recommendation**

The SDCI Director recommends the City Council adopt the proposed interim legislation to facilitate the rapid expansion of much-needed shelter and emergency housing. SDCI does not have recommendations for additional land use mitigations at this time, as the scope of this proposal is narrow and a number of factors, described above, will further limit the full use of expanded site capacity.

Permanent legislation is anticipated for Council review in Q1 2027.