

The City of Seattle

Resolution _____

..title

A resolution approving the proposed charter amendments recommended by the board of the Seattle Social Housing Developer.

..body

Recitals:

Initiative Measure Number 135 (I-135), creating the Seattle Social Housing Developer, was approved by voters during the February 14, 2023 special election.

I-135 included a charter for the Seattle Social Housing Developer as Exhibit A. Under Article XI of that charter, City Council approval is needed to revise the charter.

The Seattle Social Housing Developer Board voted on May 5, 2026 and May 21, 2026 to recommend the proposed changes as found in Attachment A of this resolution.

Therefore,

Be it resolved by the City Council of The City of Seattle:

Section 1. The City Council adopts the amended Seattle Social Housing Charter, attached to this resolution as Attachment A, superseding the charter adopted by Initiative 135.

Attachments:

Attachment A – Restated Seattle Social Housing Developer Charter

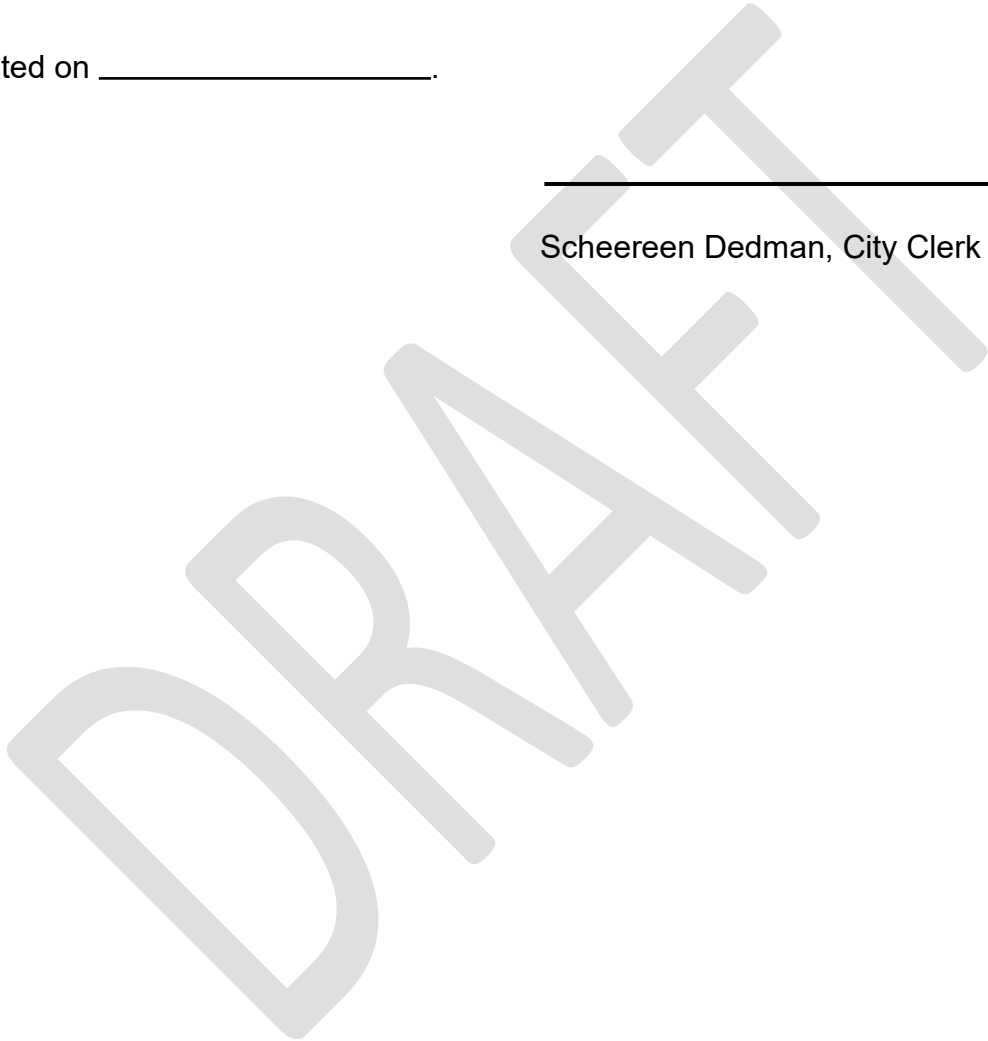
Adopted by the City Council and signed in open session in authentication of its
adoption on _____.

President _____ of the City Council

Attested on _____.

Scheereen Dedman, City Clerk

Seal



Restated Seattle Social Housing Developer Charter

Attachment A

ARTICLE I. NAME.

The name of this corporation shall be the Seattle Social Housing Developer (“Public Developer”).

ARTICLE II. PURPOSE, DIRECTIVES, AND GOALS.

(1) The core mission of the Seattle Social Housing Developer shall be to develop, own, and maintain social housing developments, as well as lease units of said developments.

(2) In carrying out its purpose, the Public Developer MUST adhere to the following:

1. The housing MUST be owned exclusively by the Public Developer or by any form of entity or interest owned and controlled by the Public Developer;
2. To the extent possible, all developments MUST contain housing units that accommodate a mix of household income ranges, including extremely low-income (0-30% Area Median Income (“AMI”)), very low-income (30-50% AMI), low-income (50-80% AMI), and moderate-income (80-120% AMI), and a mix of household sizes. If the Public Developer takes over a building, existing residential tenants will not be displaced, and these targets will be achieved as tenants turnover in the building;
3. Tenancy MUST not be revoked based on changes to household income;
4. Rental rates MUST be dedicated to permanent affordability and ~~set based on~~ consider the amount needed for operations, maintenance, and loan service on the building or development containing the unit;
5. Residents MUST be afforded opportunities for restorative justice conflict resolution prior to being subject to eviction procedures;
6. ~~Developments~~ Housing MUST be permanently protected from being sold or transferred to a private entity or public-private partnership, except that as to any property or other interest, Public Developer may mortgage, lease, assign revenues to creditors, record restrictive covenants or grant deeds of trust and consent to any transfer of such property by operation of law, by foreclosure, or in lieu of foreclosure, subject to any recorded regulatory or other covenant requirement for use of the property;
7. Residents MUST have opportunities to participate directly and meaningfully in decision-making; and

8. New developments MUST meet green building and Passive House Standards.

(3) In carrying out its purpose, and to the extent legally allowed, the Public Developer should strive to achieve the following goals:

1. The Public Developer should use a lottery-based, minimal barrier application process, free of required rental references, co-signers, background checks, and application fees, and which does not discriminate based upon citizenship or immigration status;

2. The Public Developer should provide housing to those who live or work in Seattle;

3. The Public Developer should explore ~~tenant unit resident lease~~ ownership ~~options~~ models where the property is owned by SSHD and the housing unit is leased for a specified amount of time to the resident, as modeled by international social housing models;

4. The Public Developer should retrofit acquired buildings to meet Passive House Retrofit Standards under the EnerPHit Retrofit Plan and meet Americans with Disabilities Act standards;

5. The Public Developer should limit rent to no more than 30% of income;

6. New developments should include daycare, communal kitchens, affordable co-op working spaces, and/or common areas;

7. The Public Developer should construct new developments using union labor; ~~and~~

8. The Public Developer should establish a labor harmony agreement-; and

9. The Public Developer should include in all relevant agreements: (a) a right of first refusal to purchase any commercial property held by a third party that is on, attached to, or encumbers any Public Developer owned property at an amount that does not allow the private party to benefit from market speculation; and (b) a provision that, if the Public Developer does not exercise the right of first refusal, the third party may be limited in the profit received on any sale of the property by an Index Price. The Board of Directors of the Public Developer shall adopt a policy stating how the "Index Price" will be determined and implemented.

ARTICLE III. AUTHORITY AND LIMIT ON LIABILITY.

Section 1. Legal Authority. The Social Housing PDA is a public corporation organized pursuant to RCW 35.21.660, RCW 35.21.670, and RCW 35.21.730-.755. This Charter is subject to the constitutions and laws of the United States and the State of Washington and regulations adopted under those laws. Chapter 3.110 of the Seattle Municipal Code does

not apply to the Public Developer and this Charter except to the extent stated herein. As a public corporation organized under said State and local laws, it is a political subdivision of the State with an area of operation limited to the City of Seattle.

Section 2. Limit on Liability. All liabilities incurred by the Public Developer shall be satisfied exclusively from the assets and properties of the Public Developer and no creditor or other person shall have any right of action against the City of Seattle on account of any debts, obligations or liabilities of the Public Developer.

Section 3. Mandatory Disclaimer. The following disclaimer shall be posted in a prominent place where the public may readily see it in the Public Developer's principal and other offices. It shall also be printed or stamped on all contracts, bonds, and other documents that may entail any debt or liability by the Public Developer. The Public Developer is organized pursuant to RCW 35.21.660, 35.21.670, and 35.21.730-.755. RCW 35.21.750 provides as follows: "[A]ll liabilities incurred by such public corporation, commission, or authority shall be satisfied exclusively from the assets and properties of such public corporation, commission, or authority and no creditor or other person shall have any right of action against the city, town, or county creating such corporation, commission or authority on account of any debts, obligations, or liabilities of such public corporation, commission, or authority."

ARTICLE IV. DURATION. The duration of the Public Developer shall be perpetual.

ARTICLE V. POWERS. The Public Developer shall have all powers available to public corporations under state and local law [including RCW 35.21.660-.670 and 35.21.730-.755 and SMC 3.110.040-.060, 3.110.120 and 3.110.420 except as otherwise limited by this ordinance or the Charter](#). In addition, the Public Developer is empowered to perform all manner and types of community services and activities relating to the purpose of the Social Housing PDA utilizing local, state, federal, or private funds, or real property.

ARTICLE VI. LIMITS. The Public Developer, in all activities and transactions, shall be limited as set forth in SMC 3.110.080 at the time of enactment. In addition, the Public Developer shall not issue shares of stock, pay dividends, or make loans, and shall remain the sole owner of all of its [housing \(but not its commercial\) assets either directly or through an entity formed pursuant to Article II, \(2\) 1](#), and the Public Developer shall not merge with another corporation or organization unless the developments being transferred continue to be governed in perpetuity according to the requirements of this Charter.

ARTICLE VII. THE SOCIAL HOUSING PDA BOARD.

Section 1. The permanent management of the Social Housing Developer shall rest with the Board. There shall be thirteen (13) members:

1. Seven (7) members shall be initially appointed by the Seattle Renters' Commission, which is hereby given such authority. The initial seven (7) members appointed by the Seattle Renters' Commission shall include at least one (1) member who has experienced housing insecurity; at least one (1) member who has experienced financial eviction; and at least one (1) member who has been displaced. In addition, they shall represent a range of incomes, including three (3) members living at 0-50% AMI; two (2) members living at 50-80% AMI; two (2) members living at 80-100% AMI. The Seattle Renters' Commission shall appoint replacements, except that once the Public Developer has begun operation of social housing and has adopted the initial Rules and Regulations for the Constituency, the positions will be appointed by and filled with residents of social housing ("Constituency") pursuant to the Rules and Regulations for the Constituency as the term of each of the board members appointed by the Renters' Commission ends either by expiration of the term or the member resigning or otherwise ceasing to hold the position.

2. One (1) member shall be a rank-and-file union member appointed by the Martin Luther King, Jr. County Labor Council, which shall also appoint replacements.

3. One (1) member shall be a leader from a community organization that provides housing to marginalized communities. El Centro De La Raza shall appoint the first member to fill this position. The Board shall select replacements for this position after a public call for self-nominations.

4. Two (2) members shall be appointed by the City Council and one (1) member shall be appointed by the Mayor. As terms expire, the City Council and Mayor shall appoint replacements for their appointed members. Of the members appointed by the Mayor and City Council, there must be members with expertise in public housing finance, urban planning, and nonprofit housing development.

5. One (1) member with ~~expertise in green development~~ professional experience and expertise in the design or development of sustainable construction, appointed by the Green New Deal Oversight Board, which shall also appoint replacements that meet these qualifications.

Section 2. These persons and entities must appoint the first members of the Board within 60 days of the effective date of this Ordinance, and shall promptly appoint a replacement upon the expiration of members' terms or when a replacement is otherwise required. Board members must have a commitment to the goals of social housing.

Section 3. The terms of members of the Board shall be four years, except for the initial designation of Board positions to achieve staggered terms, as described below. No person shall serve more than eight (8) consecutive years on the Board. At the first meeting of the

Board, the Board positions shall be divided into three categories, by random drawing. The first three names drawn shall be in Category One. The term of office of Category One positions shall be that which most closely coincides with the second anniversary of the formation of the permanent Board. The second three names drawn shall be in Category Two. The term of office for Category Two shall be that which most closely coincides with the third anniversary of the formation of the permanent Board. The remaining members shall be in Category Three. Their term of office shall be that which most closely coincides with the fourth anniversary of the formation of the permanent Board.

Section 4. The Board may create committees by resolution with a minimum of three (3) **board** members and a maximum of six (6) **board** members.

Section 5. Board Concurrence Required. The requirement for Board concurrence shall be that established by SMC 3.110.200, except that the donation of money, property, and assets is prohibited. The Board is prohibited from gifting money, property, or assets belonging to the Public Developer.

Section 6. Board Review. The Board shall meet at least once each month. The Board shall review monthly statements of income and expenses which compare budgeted expenditures to actual expenditures. The Board shall also review balance sheets each month. The Board shall review all such information at open public meetings, the minutes of which shall specifically note such reviews, and include such information.

If possible, all Board meetings shall be broadcast and, except for executive or closed sessions authorized under RCW 42.30.110 or RCW 42.30.140, all Board meetings shall be public and transparent. All public records of the Board and the Public Developer may be requested in accordance with RCW Chapter 42.56 and may not be withheld unless exempt or confidential under state law.

Section 7. Quorum Defined. A quorum to commence a Board meeting shall be no fewer than seven (7) members of the Board.

Section 8. Officers and Division of Duties. The Board shall have at least four (4) or more officers. The initial officers shall be the Chair, Vice-Chair, Secretary, and Treasurer. Officers shall be elected from among the members of the Board by the Board for a term of one year, and members of the Board may serve additional terms as officers if elected by the Board.

Section 9. Removal of Board Members. If any Board member resigns, or becomes ineligible to serve, or misses three (3) or more consecutive Board meetings or two-thirds ($\frac{2}{3}$) of scheduled Board meetings in six (6) consecutive months, they shall be replaced, unless the absences have been excused by the Board.

The replacement member shall be selected in the same manner as the departing Board member.

Section 10. The Public Developer shall, at a minimum, pay Board members representing residents, community organizations, and the labor representatives for their time conducting Board business, as well as providing them with staff support as needed for them to successfully serve. The Board may choose to pay other members for their time.

ARTICLE VIII. CONSTITUENCY.

Section 1. Composition. Once the Public Developer begins operation of social housing and after it has adopted the initial Rules and Regulations for the Constituency, the Constituency of the Social Housing PDA shall consist of residents living within its developments and shall be governed by this Article. The Rules and Regulations shall provide for meetings, including notice, quorum, and other provisions dealing with the Constituency. The Constituency must have regularly scheduled meetings and an annual meeting when it elects position(s) to the Board.

Section 2. The concurrence of the Constituency shall also be required on the following matters: (1) any proposed amendments to the Charter; (2) any proposed amendments to the Rules and Regulations of the Social Housing PDA if said amendment deals with matters which are within the power and responsibility of the Constituency as set forth in this section; (3) proposed amendments to the provisions of the Rules and Regulations governing procedures for meetings of the Constituency; and (4) annually fixing the compensation of Board members and adopting Board reimbursement policies.; and (5) selection of an independent auditor. Such concurrence shall require an affirmative vote of a majority of the constituents voting on the issue.

Section 3. The Constituency shall elect a person or persons to serve on the Board in seven (7) of the thirteen (13) positions as provided herein and any Rules and Regulations adopted by the Constituency. If no candidate receives a majority affirmative vote, a run-off election between the top two candidates shall be held not later than one month following the first election.

Section 4. Each multifamily social housing development owned by the Public Developer shall form a governance council. The Board shall establish appropriate size limitations for governance councils based on the size of the developments that they represent.

A governance council shall have the following powers and responsibilities:

- (a) Host regular meetings to gather feedback and perspective of residents.
- (b) Provide the resident perspective to property management.

- (c) Represent the interests of the development in biannual meetings with the board.
- (d) Determine how to spend the building or development's allotted annual budget for common room amenities and social events.
- (e) Participate in the approval of renovation projects.
- (f) Other responsibilities as determined by the Board.

~~A governance council and the Board may consult with a mission-driven nonprofit corporation or community land trust with appropriate experience for the purpose of establishing managerial policies and practices that align with the requirements of social housing and the need to provide suitable renter protections.~~

ARTICLE IX. MEETINGS.

Section 1. Open Public Meetings. All Board meetings shall be open to the public to the extent required by RCW 42.30.010, et seq. Efforts to open meetings above and beyond the letter of the law are to be encouraged and applauded.

Section 2. Parliamentary Authority. The Board may adopt rules of procedure to govern its meetings and the meetings of any subcommittee or committee of the Board. Such rules of procedure shall be consistent with the Charter and state and local law.

Section 3. Minutes. Meeting minutes shall be made publicly available.

ARTICLE X. RULES AND REGULATIONS.

The Board shall adopt Rules and Regulations to govern the Public Developer that are consistent with this Charter.

ARTICLE XI. AMENDMENTS TO CHARTER.

Amendments to the Charter shall be recommended by the Board, and take effect upon City Council approval.

ARTICLE XII. RECORDS AND REPORTING REQUIREMENTS.

Records and reporting requirements shall be governed by SMC 3.110.390, 3.110.400, and 3.110.410 as existing on the date this ordinance was enacted

ARTICLE XIII. COMMENCEMENT.

The Public Developer shall come into existence upon the certification of passage of this initiative.

ARTICLE XIV. DISSOLUTION.

Dissolution of the Public Developer shall be in the form and manner required by law, City ordinance, and the Rules and Regulations. Upon dissolution of the Public Developer and the winding up of its affairs, all of the rights, assets and property of the Public Developer shall pass to and be distributed according to the terms of binding agreements or to a qualified entity specified in SMC 3.110.490.

ARTICLE XV. MISCELLANEOUS.

Section 1. Bonding. The members of the Board and any other officers or officials with the responsibility for handling accounts and finances shall file fidelity bonds in an amount determined adequate and appropriate by the Board. The Public Developer shall pay the premium for such bonds. The Public Developer shall identify these officers and officials and the amounts of their bonds in its annual report.

Section 2. Safeguarding of Funds. The Public Developer's funds shall be deposited into a depository acceptable to the Mayor and be otherwise safeguarded pursuant to such instructions as the Mayor may from time-to-time issue.

Section 3. Insurance. The Public Developer shall maintain in full force and effect liability insurance in an amount sufficient to cover potential claims for bodily injuries, death or disability, and for property damage, which may arise from or be related to its projects and activities. The Public Developer shall also maintain appropriate insurance to protect staff, officers, and Board members.

Section 4. Code of Ethics. No official or employee of the Public Developer shall engage in conduct prohibited under state or local law. Uncompensated officials and employees designated **by the Public Developer in its rules or regulations as** compensated employees shall annually by April 15 file statements of economic interest as required under SMC 3.110.570. The Board shall enforce the provisions of SMC 3.110.580. Additionally, all final Board determinations under SMC 3.110.580 shall be provided to the Seattle Ethics and Elections Commission for its information. The City Board of Ethics, in its discretion, may comment on any determinations and provide its comments to the Social Housing PDA Council.

Section 5. Discrimination Prohibited. Neither Board, Constituency, nor governance council membership may be directly or indirectly based upon or limited by age, race, color, religion, sex, national origin, marital status, sexual orientation, gender identity, political ideology, or the physical handicap of a capable person. Use of City funds shall be subject to the requirements of SMC 20.46 (City Contracting—Fair Business Practices).

Section 6. Severability. If any part of this Charter is found by a court to be illegal or unconstitutional, according to either the Federal or State Constitution or laws, the remaining parts shall remain in force.

The Charter shall be interpreted in the broadest sense in order that the Social Housing PDA may carry out its mandate.

New Section 7. The definitions contained in SMC 3.110.020 and Section 3 of Initiative 135 shall apply to this Charter. Initiative 135 definitions shall control in the event of any inconsistency.

For the purposes of this Charter:

“Restorative justice” means a voluntary, community-centered process for residents grounded in relationship, respect, responsibility, repair, and reintegration. It brings together those impacted by harm to address conflict or issues by asking who has been harmed, what they need, and whose responsibility it is to meet those needs. The process supports meaningful accountability, repair of harm, and the restoration of relationships to the greatest extent possible, and, where feasible, addresses unmet needs connected to the conflict, harm, or issue.

“Social Housing Development” or “Development” means one or more housing buildings or portions of buildings that are built or acquired by the Public Developer and used specifically for social housing.

“The Public Developer” or “Social Housing Developer” means the Seattle Social Housing Developer and any entity it owns, controls or is under its common control.

Summary and Fiscal Note

1. This resolution would amend the Seattle Social Housing Developer Charter. All proposed charter changes were recommended by the Seattle Social Housing Developer Board at their May 5, 2026 and May 21, 2026 board meetings. The changes were recommended by the SSHD board order to enhance SSHD's ability to accomplish their mission of developing, owning, and maintaining social housing developments in the City of Seattle.

The changes will:

- Allow SSHD to form a single purpose entity (such as a limited liability corporation) which can be used to purchase or develop properties and protect SSHD's other assets against unforeseen setbacks. SSHD would retain control over housing by owning and controlling this single purpose entity.
- Allow rent rates to be based on more than just the cost of building operations, in order to allow for cross-subsidization of buildings or the use of building revenue to support bond payments.
- Allow SSHD properties to be used as collateral for debt and allow SSHD to execute regulatory agreements, such as a Mandatory Housing Affordability performance regulatory agreement.
- Allow SSHD to create a condominium structure for property it develops, where SSHD retains the housing portion of the building but sells the commercial portion.
- For any commercial portion of a condominium that is sold, adds a requirement for SSHD to have right of first refusal and limit the profit that the commercial condominium owner can make off any sale.

- Establishes a process by which the seven SSHD board positions currently appointed by the Renter’s Commission will be appointed by the Constituency once SSHD begins operations of social housing; the constituency is comprised of residents living within SSHD developments
- Eliminates the requirement that the Constituency selects an independent auditor; however the SSHD is still required provide audited financial statements to the City Clerk annually.
- Adds a new definition section
- Other changes for purposes of clarity

Department: LEG

Title: A resolution approving the proposed charter amendments recommended by the board of the Seattle Social Housing Developer.

Background: Initiative Measure Number 135 (I-135), creating the Seattle Social Housing Developer (SSHD), was approved by voters during the February 14, 2023 special election. I-135 included a charter for the Seattle Social Housing Developer as Exhibit A. Under Article XI of that charter, City Council approval is needed to revise the charter. The SSHD Board voted on May 5, 2026 to recommend the proposed changes as found in Attachment A of the resolution.

Summary Attachments: None

2. Capital Improvement Program (CIP)

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

4. Other Impacts

a. Does this legislation require a public hearing?

Yes

No

b. Does this legislation require a notice to be published in The Daily Journal of Commerce and/or The Seattle Times?

Yes

No

c. Does this legislation affect a piece of property?

No

d. Race and Social Justice Initiative impacts:

1. How does this legislation affect vulnerable or historically disadvantaged communities? How did you come to this conclusion? Please consider both impacts within City government (like employees and internal programs) and in the broader community.

Black, indigenous and people of color are disproportionately impacted by the lack of affordable housing in Seattle. In large part that is due to disparities in income:

- Close to two-thirds of Native American households and Black households having income at or below 80% of AMI.
- Nearly half of Hispanic or Latino households have incomes this low.
- In contrast, only one third of white households have incomes at or below 80% AMI.

Black households and Native American are the most cost burdened, meaning that a household pays more than 30% of its income towards rent. The highest estimated

prevalence is found among Black households, about half of whom are cost burdened—and roughly a quarter severely so, meaning they pay more than 50% of their income towards rent.

There are also similar disparities in terms of who experiences homelessness. Based on the 2024 Point in Time analysis, 15% of people experiencing homelessness in King County identify as Black/African American, but according to 2023 U.S. Census data only 7% of King County's population identifies as Black/African American. Similarly, 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.

It is not yet clear how the SSHD will help address these racial disparities related to housing. The SSHD Charter has a number of provisions that could benefit low-income tenants, who as described above are disproportionately BIPOC, such as a goal to include a mix of units affordable to a range of incomes including low and very low income and a goal to have rent be set at 30% of a tenant's income. However, because these are goals – and not set requirements – it remains to be seen how well are implemented and what the end benefit is to low-income tenants, including BIPOC tenants.

3. What is the Language Access Plan for communicating with the public about this legislation? N/A

e. Climate change impacts:

1. Emissions: Will this legislation significantly increase or decrease carbon emissions? Attach any studies or materials that inform your answer. N/A

2. Resiliency: Will this legislation make Seattle more or less able to adapt to climate change? If it reduces resiliency, explain what can be done to lessen the impact. N/A

f. If this legislation creates a new program or expands an existing one, what are the long-term, measurable goals? How will this legislation help achieve those goals? What methods will be used to track progress? N/A

g. Does this legislation create a non-utility CIP that involves shared funding with a non-City partner or organization? N/A

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