

## Summary and Fiscal Note

### 1. Legislation Summary

**Department:** Legislative

**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), which created the Seattle Social Housing Developer (SSHD), was approved by voters in February 2023. The SSHD charter was attached to I-135 as Exhibit A. Under Article XI of the charter, while the SSHD Board can recommend changes to the charter, City Council approval is needed to revise it. The SSHD Board voted on May 5, 2026, and May 21, 2026, to recommend the proposed changes to the charter, as found in Attachment A to the resolution. The changes are being proposed in order to enhance SSHD's ability to accomplish their mission of developing, owning, and maintaining social housing developments in the City of Seattle. The proposed changes will:

- Allow SSHD to form a single purpose entity (such as a limited liability company) 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, add a requirement for SSHD to have right of first refusal and limit the profit that the commercial condominium owner can make off any sale;
- Establish 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;
- Eliminate the requirement that the Constituency selects an independent auditor; however the SSHD is still required provide audited financial statements to the City Clerk annually;
- Add a new definition section; and
- Make other changes for purposes of clarity.

Because this legislation incorporates only the exact changes recommended by the SSHD board, Council can approve the changes via a resolution. Council does have the authority to make changes to the charter not recommended by the board and could do so at any time. However, Council would need to do so via an ordinance and not a resolution.

**Summary Attachments:** None

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## 2. Capital Improvement Program (CIP)

**Does this legislation create, fund, or amend a CIP Project?**

Yes

No

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## 3. Summary of Financial Implications

**Does this legislation have financial impacts to the City?**

Yes

No

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## 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.

**2. Please attach any Racial Equity Toolkits or other racial equity analyses used to develop or assess this legislation. N/A**

**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**