



Housing Action Subcommittee

Thursday, February 19, 2026

9:30 AM-11:00 AM

Tribal Conference Room – City Hall Lobby

Virtual meeting information below

TIMES GIVEN ARE AN ESTIMATE AND ARE SUBJECT TO CHANGE

Land Acknowledgement + Welcome

9:30AM – 9:35AM
9:35AM – 9:40AM

- Land Acknowledgement
- Introductions + Announcements

Public Comment

3 MINS.
PER SPEAKER

Members of the public are invited to speak on any topic related to the Housing Action Subcommittee

Housing Action Subcommittee Work Session:

9:40AM – 10:20AM

DRAFT City Council Resolution on HEART Funding Priorities for FY 2026 (Attached in Packet)

10:20AM – 10:40AM

Brainstorming on “Barriers to Building” Stakeholder Engagement

10:40AM – 11:00AM

Q + A with Housing Action Subcommittee Council Member Liaison Sarah Dixit (District 1)

VIRTUAL MEETING INFORMATION:

MICROSOFT TEAMS VIRTUAL MEETING LINK:

[CLICK HERE TO JOIN THE MEETING NOW](#)

Meeting ID: 279 373 020 781 20

Passcode: 4fs3w88Y

Join on a video conferencing device
Tenant key: cityofspokane@m.webex.com
Video ID: 119 734 944 3

DIAL IN BY PHONE:

[+1 424-566-7556](tel:+14245667556), [78775630#](tel:+178775630) United States, Beverly Hills

[Find a local number](#)

Phone conference ID: 787 775 630#

AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION:

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Committee Briefing Paper

Urban Experience Committee

Committee Date	02/19/26
Submitting Department	City Council
Contact Name	Nicolette Ocheltree
Contact Email & Phone	nocheltree@spokanecity.org (509)828-0522
Council Sponsor(s)	Council President Wilkerson + Council Member Dixit
Select Agenda Item Type	<input type="checkbox"/> Consent <input checked="" type="checkbox"/> Discussion Time Requested: 5
Agenda Item Name	City Council's 2026 HEART Funding Priorities
Proposed Council Action	<input checked="" type="checkbox"/> Approval to proceed to Legislative Agenda <input type="checkbox"/> Information Only
Summary (Background) *use the Fiscal Impact box below for relevant financial information	<p>In 2025, City Council passed Ordinance C36732 which updated the mechanism for identifying and establishing Council's funding priorities for HEART funds via resolution, no later than March 1 of each year.</p> <p>This resolution sets those priorities such that all requests for proposals (RFP's) and subsequent distributions of HEART funds ought to reflect all legally eligible uses of HEART funding and encourage any project or service applying for funding to apply for <i>any</i> eligible use as defined in SMC 08.07C.030 and consistent with RCW 82.14.530 (2).</p> <p>In past funding cycles, some legally eligible uses of HEART funds were not included in previous RFPs, thereby narrowing the scope of qualifying projects and services. The intent of these priorities is to allow <i>any</i> legally eligible use to be included in HEART Fund RFPs released in 2026 so that a wider array of projects and services have the opportunity to access these funds.</p>
Fiscal Impact	
Approved in current year budget? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/A Total Cost: Click or tap here to enter text. Current year cost: N/A Subsequent year(s) cost: N/A	
Narrative: This resolution establishes Council's HEART funding priorities, however, the resolution itself is not explicitly authorizing any specific expenditure nor is it authorizing any specific right to enter into contract with any agency. Any Council approval of specific programs or projects using HEART funding, SBOs, or otherwise will follow the standard process as defined in the Spokane Municipal Code.	
Funding Source <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Specify funding source: Select Funding Source* Is this funding source sustainable for future years, months, etc? Click or tap here to enter text.	
Expense Occurrence <input type="checkbox"/> One-time <input type="checkbox"/> Recurring <input checked="" type="checkbox"/> N/A Other budget impacts: (revenue generating, match requirements, etc.)	
Operations Impacts (If N/A, please give a brief description as to why)	

- What impacts would the proposal have on historically excluded communities?

These priorities have the potential to positively impact historically marginalized communities, some of whom may benefit either directly or indirectly from the flexibility of the kinds of services and projects that may qualify for HEART funding. For historically marginalized community members who are also earning a household income at 60% or below AMI and who are also a member of one of the sub populations listed below, they may benefit more directly as individuals or families directly served by HEART funded projects and service-related programs.

Qualifying Subpopulations:

- Persons with behavioral health disabilities; or
- Veterans;
- Senior citizens;
- Persons who are homeless or at-risk of being homeless, including families with children;
- Unaccompanied homeless youth or young adults;
- Persons with disabilities; or
- Domestic violence survivors;

It should also be noted that pursuant to SMC 08.07C.051(E) "Any project or service recommended to the City Council for award under this chapter shall be evaluated, at minimum, for conceptual soundness, financial feasibility, project readiness, its impact in addressing housing disparities, and its impact on historically excluded communities..."

- How will data be collected, analyzed, and reported concerning the effect of the program/policy by racial, ethnic, gender identity, national origin, income level, disability, sexual orientation, or other existing disparities?

All projects and services funded with HEART funds have data collected and managed through the City of Spokane's HMIS system and quarterly reports are made available to City Council and the general public on the City of Spokane's website.

Pursuant to SMC 08.07C.051(E) "Any project or service recommended to the City Council for award under this chapter shall be evaluated, at minimum, for conceptual soundness, financial feasibility, project readiness, its impact in addressing housing disparities, and its impact on historically excluded communities..."

Pursuant to SMC 08.07C.051(G) "The Community, Housing and Human Services Department shall provide a biennial updated report to the City Council on racial disparities in housing, program delivery, data of people served (disaggregated by race/ ethnicity and identified groups in Section 08.07C.030), program improvements, and ongoing policy obstacles to achieving the goal of HEART."

Pursuant to SMC 08.07C.030(D) "Recommendations on the use of revenues collected under this chapter shall employ a racial equity framework that promotes equity, reduces disparities in housing, and achieves equitable outcomes for marginalized populations and populations that have been subject to historical or present discrimination in housing markets and/or housing policy."

- How will data be collected regarding the effectiveness of this program, policy, or product to ensure it is the right solution?

See answer above regarding requirements of data collection and regular updates. It is then up to City Council to reflect on the data an analysis and exercise their collective rights to continue or change their identified funding priorities via resolution, and/or amend the requirements as set forth in the Spokane Municipal Code; consistent with the corollaries in the RCW. The CHHS department also collects data and manages the contracts related to HEART funded projects and programs with their own set of policies and procedures presumably in part to gauge the efficacy of the programs and projects awarded funding.

- Describe how this proposal aligns with current City Policies, including the Comprehensive Plan, Sustainability Action Plan, Capital Improvement Program, Neighborhood Master Plans, Council Resolutions, and others?

This proposal is consistent with the above listed plans and is directly a response to the changes in how Council sets their HEART funding priorities via resolution as outlined in SMC 08.07C.030(C)

Council Subcommittee Review

- Please provide a summary of council subcommittee review. If not reviewed by a council subcommittee, please explain why not.

These recommendations were briefly discussed at the January 2026 Housing Action Subcommittee meeting, and this resolution will be on the February 2026 Housing Action Subcommittee meeting agenda and included in the agenda packet. Feedback on the Housing Action Subcommittee's review of this resolution will be presented to Council during the February 2026 Urban Experience Committee Meeting when this resolution is first introduced to City Council.

RESOLUTION NO. 2026-XXXX

A resolution identifying and establishing the Spokane City Council's 2026 priorities for the use of HEART funding collected under the HEART sales and use tax for housing and housing related supportive services.

WHEREAS, the Spokane City Council adopted Ordinance C35982 in 2020 establishing a sales and use tax for housing and housing related supportive services, as authorized in 2019 by the Washington State Legislature via House Bill 1590, now codified as RCW 82.14.530; and

WHEREAS, Ordinance C35982 also established Council's funding priorities and established the Housing Action Subcommittee as an advisory committee to review applications and provide recommendations to the City Council on the use of 1590 funds derived from the tax and periodically report on the effectiveness of the allocation of those dollars; and

WHEREAS, the Spokane City Council passed Ordinance C36732 in 2025, which repealed the previously established funding priorities as set forth by Council in 2020 and in 2023 and codified in SMC 08.07C.030(C); and

WHEREAS, Ordinance C36732 renamed the 1590 fund as the "HEART Fund"; and

WHEREAS, Ordinance C36732 updated the mechanism for annually identifying and establishing Council's funding priorities for HEART funds by providing that Council is to adopt a resolution, no later than March 1 of each year, identifying any objective priority or priorities the Council seeks to achieve by projects and services recommended for award of HEART funds; and

WHEREAS, the Spokane City Council intends to set forth their 2026 funding priorities for the sales and use tax for HEART funds in this resolution; and

WHEREAS, the Spokane City Council directs that all Requests For Proposals and subsequent distributions of HEART funds reflect *all* legally eligible uses of HEART funding, that encourages any project or service applying for funding to apply for any eligible use as defined in SMC 08.07C.030 and consistent with RCW 82.14.530 (2); and

WHEREAS, SMC 08.07C.030 states that a minimum of seventy percent (70%) of the revenue collected under the HEART tax annually shall be used for the following

purposes, with a specific preference for occupant ownership of housing units, including, without limitation, cooperatively-owned multi-family projects:

1. Grants, loans, or projects to construct or acquire affordable housing, which may include emergency, transitional, and supportive housing and new units of affordable housing within an existing structure, and facilities providing housing-related services or acquiring land for these purposes; or
2. Grants, loans, or projects to construct or acquire behavioral health-related facilities, or acquiring land for these purposes; or
3. Funding the operations and maintenance costs of new units of affordable housing and facilities where housing-related programs are provided, or newly constructed evaluation and treatment centers.
4. The affordable housing and facilities providing housing-related programs in 08.07C.030(A)(1) may only be provided to persons within any of the following population groups whose income is at or below sixty percent of the median income of Spokane County:
 - a. Persons with behavioral health disabilities; or
 - b. Veterans;
 - c. Senior citizens;
 - d. Persons who are homeless or at-risk of being homeless, including families with children;
 - e. Unaccompanied homeless youth or young adults;
 - f. Persons with disabilities; or
 - g. Domestic violence survivors; and

WHEREAS, the remainder of the moneys collected under the HEART tax must be used for:

1. The operation, delivery, or evaluation of mental and behavioral health treatment programs and services or housing-related services, with the overall objective of helping to maintain housing stability, or
2. The Legal Services and Relocation Fund, in the amounts and for the purposes set forth in section 07.08 158 of the Spokane Municipal Code;

NOW, THEREFORE, BE IT RESOLVED that the Spokane City Council does set forth, identify and establish its Fiscal Year 2026 HEART funding priorities, and directs that all

eligible uses of HEART funds to be included in any Requests for Proposals, and, to the extent feasible, all of these priorities be reflected in the subsequent distributions of HEART funds.

ADOPTED by the City Council this ____ day of _____, 2026.

City Clerk

Approved as to form:

Assistant City Attorney