

Homelessness Investment Analysis

City of Seattle • Human Services Department

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Mayor

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EXECUTIVE SUMMARY

In September 2014, Seattle Mayor Ed Murray tasked HSD to conduct an evaluation of the City’s investments in homeless services, compare those investments with nationally recognized best practices, and identify ways to better meet the needs of people experiencing homelessness in our communities.

Homelessness is a complex problem impacted by institutions, such as the criminal justice and mental health systems, as well as broader policies, such as livable wages and affordable housing. In 2014, HSD invested nearly \$40.8 million across 183 contracts and 60 agencies for services that provide homeless prevention, homeless intervention, and permanent housing. City-funded homeless service programs have been successful in what they were designed and funded to do, helping people to access shelter, remain housed, and meet their basic needs; however, the number of people sleeping unsheltered in our communities continues to rise. There is no magic bullet, and racial, social and health disparities continue to persist.

HSD funds services to assist single adults, youth, young adults, and families, survivors of domestic violence, older adults, and veterans who are at-risk of or experiencing homelessness. Funding for these programs is made up of a combination of local and federal sources, each of which carry restrictions or guidelines regarding who is eligible for service and what types of activities the funds can pay for.

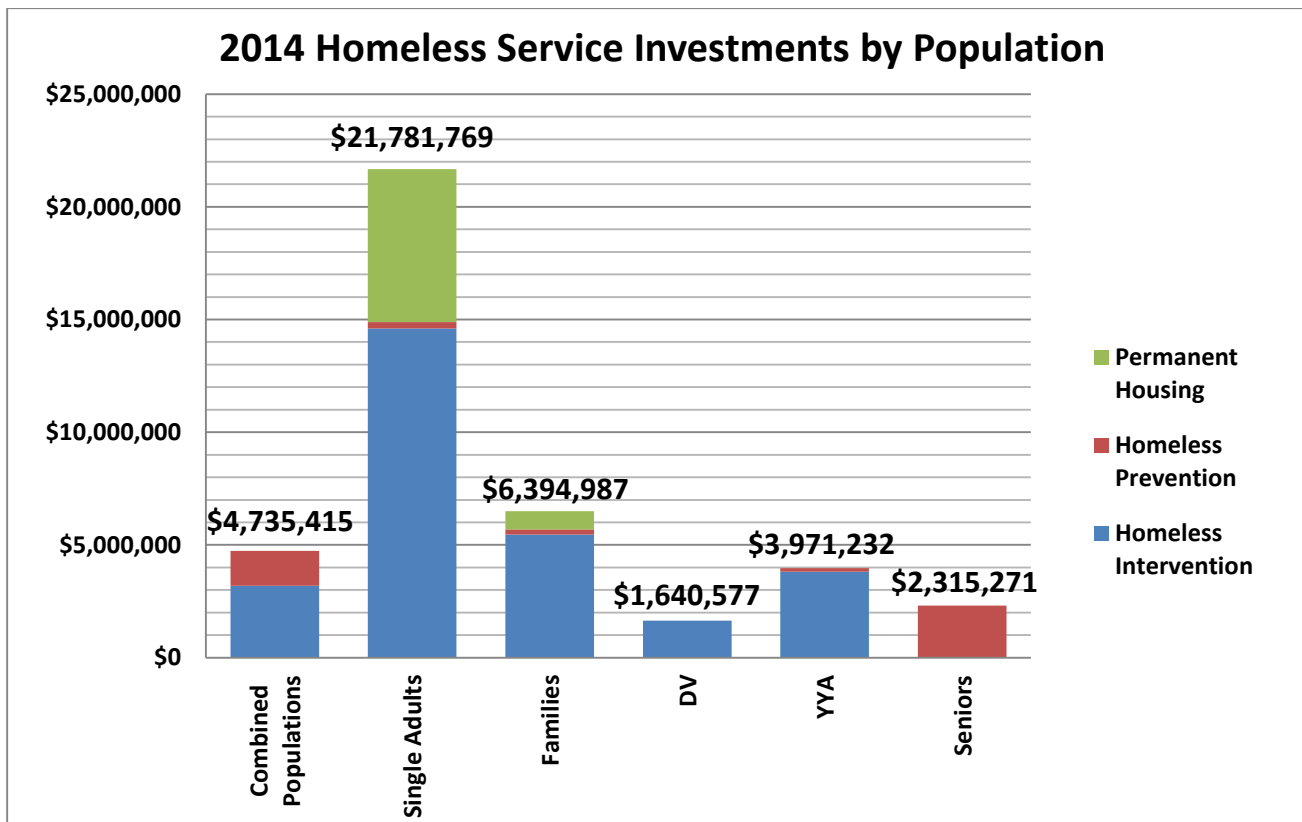


Figure 1: Total Investments in Homelessness Intervention, Homeless Prevention, and Permanent Housing: \$40,839,251

HOMELESS SERVICES INVESTMENT AREAS

Investments in **Homelessness Prevention** services are made via 26 contracts involving 21 agencies, including direct services through ADS, for a total investment of over \$4.55 million annually. This investment represents 11% of total investments in homelessness, and includes services such as rental assistance, eviction prevention, housing stability services for seniors, and tenant-based education.

Investments in **Homeless Intervention** services are made via 128 contracts involving 50 agencies, for a total investment of over \$28.68 million annually. This investment represents 70% of homelessness investments, and includes services such as emergency shelter, transitional housing, day/hygiene centers, street outreach, and meal programs.

Investments in **Permanent Housing** are made via 29 contracts involving 10 agencies, for a total investment of \$7.59 million annually. This investment represents 19% of homeless investments, and includes services such as permanent supportive housing, and the rapid re-housing programs for families.

OBSERVATIONS

HSD reviewed over \$40 million in investments made annually in services for adults, families, and young people who are at-risk of or experiencing homelessness. Outlined in this section are several big picture observations and takeaways from this analysis, in the areas of Overall Funding; Spending Observations; Current Practices; and Factors Contributing to and Compounding Homelessness. These observations are intended to be high-level, and do not identify detailed observations at the population level.

OVERALL FUNDING: City of Seattle investments are part of a larger system providing homeless services and support to homeless and low income individuals in Seattle and King County. City General Fund support for homeless services has increased by 102% (inflation adjusted), growing from \$9M in 2005 to over \$22M in 2014. External funding for homeless services has declined in real dollars by 11% (inflation adjusted); however, City General Fund support has more than backfilled total dollar value of lost external revenue. Over the last decade, General Fund has provided an increasing proportion of funding for homeless services, rising from 38% in 2005 to nearly 60% in 2014.

SPENDING OBSERVATIONS: The City of Seattle invests the majority of funding towards services intended to help people once they are experiencing homelessness. Relatively speaking, much less is spent on “up-stream” prevention and on permanent supportive housing or rapid rehousing efforts. By population, over half of all funding is concentrated on single adults (\$21.7M) and the rest (\$19M) split between families, DV survivors, seniors, youth and young adults. City of Seattle investments are made as part of a larger system, where King County is the primary funder of emergency shelter for families, and transitional housing for all populations.

HIGH LEVEL TAKEAWAYS ON CURRENT PRACTICES: The City has not approached investments in homelessness based on a reasonable objective evaluation of all services, comparison of outcomes, and alignment with longer term goals. Competitive funding processes have been inconsistently conducted, and are generally limited in scope. Many key elements of the 2012 Investment Plan for homeless services, *Communities Supporting Safe and Stable Housing*, have not been implemented, including a failure to shift even a modest 2% goal of “base-funding” from intervention services to other strategies and best practices.

City funding is allocated and evaluated at the incremental programmatic level and not systemically and objectively as part of a “seamless system of services”. Funding decisions (primarily new funding adds), with some recent exceptions, have been earmarked for specific populations, agencies, or activities and are driven by advocacy, coalitions, and program advocates rather than guided by a policy framework designed by the City. Research shows that many cities, nearing the end of their Ten Year Plans, have focused resources and efforts to increase support for prevention, rapid rehousing and diversion efforts. These shifts align with federally mandated HEARTH measures, which impact federal funding allocation. While Seattle has “added” funding in some program areas to support these national evidence-based best practices, funds have not been “shifted” from base-funding away from existing programs.

HIGH LEVEL TAKEAWAYS ON FACTORS CONTRIBUTING TO & COMPOUNDING HOMELESSNESS: Not all programs are required to participate in Safe Harbors HMIS, leading to incomplete and inconsistent data and limiting evaluation efforts. Erosion of State and Federal funding for medical and mental health systems, foster care and criminal justice institutions are factors in homelessness, and Washington State is 47th in the nation for mental the number of mental health beds provided. Locally, we realize we cannot simply build our way out of homelessness. Our Continuum of Care is number three in the nation in the number of housing and shelter beds we’ve created, yet each year the number of unsheltered continues to grow.

Poverty is on the rise in Seattle and King County, and housing costs have skyrocketed. A recent study highlighting key predictive factors to homelessness found that an increase in rent of \$100 correlates with a 15% increase in metropolitan homelessness. Additionally, there are persistent racial disparities related to who is represented among the homeless population in Seattle, in addition to disparities in health, education outcomes and the criminal justice system which speak to broader underlying societal challenges that need to be confronted.

RECOMMENDATIONS

Based on the work outlined in this Investment Analysis and Observations presented, HSD has developed six recommendations to guide our work moving forward:

- Develop a policy framework and investment plan for the City’s homelessness investments that aligns with and supports the regional Committee to End Homelessness’ Strategic Plan, the provisions of the federal HEARTH Act, and evidence-based best practices. Funding processes and program and budget allocations should follow this policy framework.
- Develop the capacity to collect and analyze program data, design consistent system-wide outcomes, and regularly evaluate the effectiveness of programs in meeting outcomes. Support all homeless services agencies in required participation in Safe Harbors HMIS.
- Use currently available predictive modeling tools to assess current system investments and needs and outlines funding and program shifts that may occur for prevention, intervention, and permanent housing programs to align with federal priorities and community need.
- Develop a framework for adding funding that incorporates advocates, coalitions, and constituents in conversations with HSD, creating a consistent policy to transmit budget requests with supporting data, analysis, and anticipated impact. This allows community engagement to drive the way council

and the mayor add funding, rather than occurring during the allocation process after funding is added.

- Develop and fund a broader anti-poverty initiative, of which homelessness investments are a part. Long term investment strategies for homelessness will be most successful if there are fewer people coming into the system, and those that do are quickly connected with stable housing. This initiative should begin to address the racial disparities seen in our homeless system, but we must build on them and identify policies and procedures that perpetuate institutional racism and develop strategies for change.
- Partner regionally to address broken or dysfunctional mainstream systems contributing to the increase in individuals experiencing homelessness.

PATH FORWARD – NEXT STEPS

This investment analysis is part of a broader strategy in which the City of Seattle will develop a framework for investing in homeless services. Moving forward, HSD will design and implement a three-pronged strategy, which builds upon the 2012 [Community Supporting Safe and Stable Housing \(CSSSH\)](#) Investment Plan and other local and regional planning efforts. The three parts of this strategy are:

1. Shift investments and service provision to a **progressive engagement model**, to deliver a portfolio of services through a pilot with selected service providers. This progressive engagement model combines a portfolio of services aimed at making homelessness rare, brief, and one time, and includes diversion, shelter, rapid rehousing, housing search and employment navigation. Administrative efficiencies can be created through a single contract for combined services.
2. **Scale recent pilots** with continual shift and focus on prevention and coordinated assessment/access. Scale and Expand on several new investments and initiatives launched in 2014 and 2015, which are expected to have a positive impact on housing placement and shelter throughput.
3. Prioritize **system readiness**, within HSD and provider network with 3rd party consultancy. Shifting from a program investment strategy to a system investment strategy will require increased capacity and strategic planning and support both internally and externally.

Additional detail on the Path Forward - Next Steps can be found on page 33 of this document.

INTRODUCTION

In September 2014, Seattle Mayor Ed Murray tasked HSD to conduct an evaluation of the City's investments in homeless services, compare those investments with nationally recognized best practices, and identify ways to better meet the needs of people experiencing homelessness in our communities.

Homelessness is a complex problem impacted by institutions, such as the criminal justice and mental health systems, as well as broader policies, such as livable wages and affordable housing. City-funded homeless service programs have been successful in what they were designed and funded to do, helping people to access shelter, remain housed, and meet their basic needs. However, there is no magic bullet, and despite the City's investments, racial disparities continue to persist and the number of people sleeping unsheltered has increased. At least 2,813 men, women and children are unsheltered in Seattle on any given night.¹

In 2014, through a network of investments in homeless prevention, homeless intervention, and permanent housing programs, HSD allocated nearly \$40.84 million across 183 contracts and 60 agencies. HSD funds services to assist single adults, youth, young adults, and families, survivors of domestic violence, older adults, and veterans who are currently at-risk of or experiencing homelessness. Funding for these programs is made up of a combination of local and federal sources, each of which carry restrictions or guidelines regarding who is eligible for service and what types of activities the funds can pay for. HSD invests in homelessness prevention, intervention, and permanent housing services through four service divisions:

- **Youth & Family Empowerment (YFE):** YFE invested approximately \$3.891 million in 2014, primarily in homeless intervention services, for youth and young adults (12-25) experiencing homelessness, through emergency shelter services, transitional housing programs, drop-in centers, case management, and employment programs. YFE-funded services work in coordination with partners to support youth in successfully transitioning to adulthood.
- **Community Support & Assistance (CSA):** CSA invested approximately \$32.954 million in services for single adults, families, and survivors of domestic violence who are at risk of or experiencing homelessness, through investments in services such as emergency shelter, transitional housing, and day/hygiene centers. CSA also invested to prevent homelessness through eviction prevention, rental assistance, tenant education, and domestic violence and sexual assault programs, and rapid rehousing for families in 2014.
- **Aging & Disability Services (ADS):** ADS invested approximately \$2.315 million in services to prevent older adults and adults with a disability from becoming homeless. ADS acts as the Area Agency on Aging and therefore provides these homelessness prevention services for the entire Seattle/King County region.
- **Leadership & Administration (LAD):** LAD manages the City's public health investments through a partnership with Public Health - Seattle & King County (PHSKC), including investing approximately \$1.678 million in PHSKC's Healthcare for the Homeless program in 2014, providing critical health services to people experiencing homelessness.

¹ [2015 One Night Count Seattle/King County](#).

HISTORY AND TRENDS IN HOMELESSNESS INVESTMENTS

Many factors contribute to high rates of homelessness in Seattle, including historic underfunding of mental health and chemical dependency treatment services, foster care, criminal justice institutions, rising costs of housing, slow wage growth, and an affordable housing stock far below demand. Not everyone has benefited equally from the economic recovery, and economic and racial inequalities persist. All these factors contribute to high numbers of adults, families, and young people experiencing homelessness, despite the significant investments made in homeless services every year.

The current homeless services continuum was built over time, beginning with funding for emergency shelter programs in 1978. Agencies and local governments were committed to the “*survival*” of people experiencing homelessness, and these investments were paired with recommendations to expand appropriate low cost housing, increase income and employment opportunities, and data collection. As homeless services evolved, transitional housing programs were added and a linear continuum was created, where homeless families and individuals moved from shelter to transitional housing, staying up to 24 months, in order to be prepared to be successful in permanent housing, or “housing ready”. Over the last decade, research, data, and an increased understanding of the complexities of homelessness supported a shift in approach from a linear, program-based continuum to a *client-centered housing and services system*. Strategies to address homelessness have always called for affordable housing development. Now, there is an additional focus on permanent supportive housing and homelessness prevention activities, centered on the idea that housing stability should be achieved first before other barriers are

“The absence of coordinated intake, assessment of needs, bundling of services in one location, and information and referral to other downtown programs providing for homeless people has resulted in fragmentation and access problems... it can take extraordinary numbers of phone calls and bus trips just to find shelter”

-2000 Report, Strategies to Address Homelessness in Downtown Neighborhoods

The [Ten Year Plan to End Homelessness](#), launched in 2005, called for increased investment and production of permanent housing units, paired with a strategy to reduce emergency shelter capacity as demand for shelter decreased. During the last decade, our continuum has built and occupied 5,700 permanent housing units dedicated for homeless individuals; yet the decrease in demand for shelter never occurred. During this time, HSD actually increased investments in emergency services, including meal programs, shelter, and day centers, through new investments and backfilling diminishing federal funds with the local General Fund.

Moving Forward: The Outcomes Framework and Prevention Resources: Recognizing the need to shift from collecting outputs to measuring outcomes, HSD developed and launched the [Outcomes Framework](#), which seeks to understand the collective, measurable impact of our investments; particularly with the goal of reducing racial disparities among those experiencing homelessness. In 2012, the [Communities Supporting Safe & Stable Housing](#) Investment Plan was developed, outlining HSD’s investment strategy for homeless services through 2018. The Plan was developed in partnership with stakeholders, and incorporated community and client engagement and feedback.

At the heart of this plan is a call for incremental shifts of funding (2-4% over six years) into homelessness prevention and stabilization, in order to prevent more people from becoming homeless (close the front door), and help more people who exit homelessness to remain stably housed. Due to lack of political will and advocacy efforts, this shift in resources did not occur.

Over the last two decades, numerous reports have echoed the necessity of refocusing resources to emphasize homelessness prevention and coordination of services. A 1992 report prepared for then-Mayor Rice recommended a renewed emphasis by the City and local governments on allocating its resources to homeless prevention programs and services. This included a commitment to maintain and increase the availability of affordable housing. Similarly, a 1992 statewide report on strategies for homeless families recommended that the current stock of emergency services be maintained and allocate any new homeless service resources to homelessness prevention activities.²

“Homelessness prevention and rent assistance should be given priority consideration over additional funding for emergency shelter systems, given their cost effectiveness and potential for longer term benefits... [but] emergency shelter funding should not be diminished to fund homelessness prevention.”

- 1992 Report, *On Firmer Ground: Housing for Homeless and Near-Homeless Families*

While the City has made new investments in alignment with national best and promising practices such as increased rental assistance, progressive engagement through diversion and rapid rehousing, and “housing first” program models, funding continues to increase for emergency shelter services. This occurred largely through ad hoc budget increases that are not based on robust analysis.

Alignment with Federal Direction & [Homeless Emergency Assistance and Rapid Transition to Housing \(HEARTH\) Act of 2012](#):

Aligning our investments to keep people from entering homelessness, helping people who are currently homeless to rapidly exit homelessness, and prevent people from returning to homelessness are the major goals under the federal HEARTH Act, which reauthorized the McKinney-Vento Homeless Assistance Act and funding in 2012. Locally, the Committee to End Homelessness (CEH) and our emphasis on making homelessness *rare, brief and one time* are an attempt to align our continuum with the federal direction,³ by setting system-wide performance targets, integrating data and evaluation, and aligning investments. This alignment is critical in order to preserve the significant local allocations of federal funding.

Local Investment Trends: In the last ten years, General Fund investments in homelessness have increased from \$9 million in 2005 to over \$22 million in 2014. The City’s General Fund, which in 2005 supplemented nearly two-thirds other funds, is now the largest source (58%) of funding for the City’s response to homelessness. After adjusting for inflation, General Fund has more than doubled (102%) since 2005 and other resources have decreased by 11%, for a total inflation adjusted General Fund increase of 32% from 2005 to 2014.

² Washington State Department of Community Development, *On Firmer Ground: Housing for Homeless and Near-Homeless Families*, November 1992.

³ For more information, see the federal plan to end homelessness, [Opening Doors](#).

Other resources, which are largely federal Community Development Block Grant (CDBG) and McKinney-Vento funds, peaked in 2010-2011 at more than \$19 million, but declined in 2014 to \$15.9 million, due to cutting CDBG back to 2005 funding levels (approximately \$15 million). As a direct result of federal resource losses in 2012-2014, the City’s General Fund, though still recovering from the Great Recession of 2008-10, stepped in to make program budgets whole through Mayor and Council led allocations. The General Fund now constitutes **more than 50% of the resources** for responding to homelessness across the City (see graph below).

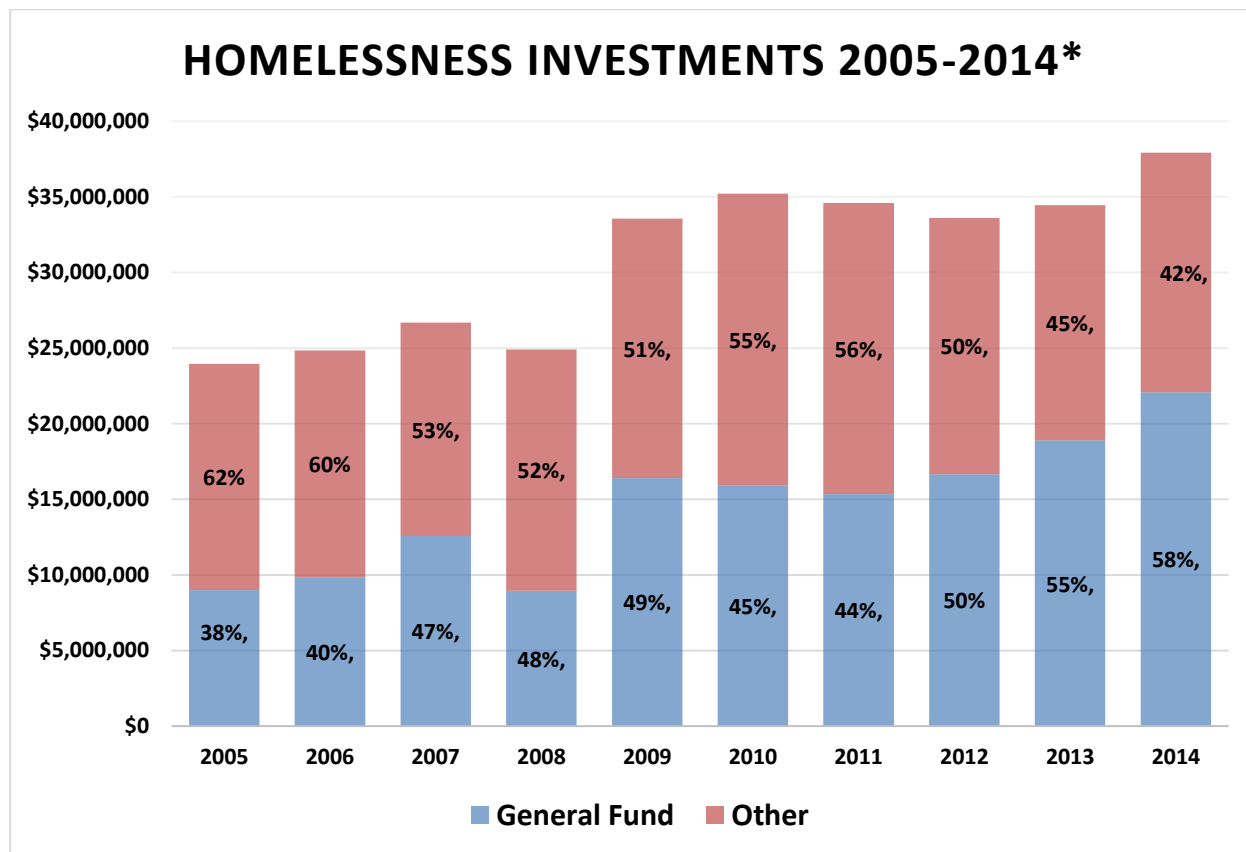


Figure 2: Homeless Investments 2005-2014

*Not adjusted for inflation; does not include investments in seniors, youth, or DV Shelter

The data is based on the total budgeted amounts for each of the last ten years for homeless services, including Emergency and Transitional Services, Homeless Intervention with CDBG, and Health Care for the Homeless through Public Health – Seattle and King County. The analysis does **not** include the investments in preventing and addressing homelessness for seniors, youth and survivors of domestic violence due to limitations of available data. Homelessness investments are a subset of broader work done to address the specific needs of those populations and are not tracked separately in the central budget system.

Funding Process: HSD conducts funding processes to competitively allocate funds to agencies and providers. These processes provide an opportunity to make adjustments in how funding is allocated based on new directions or need. For example, a 2005 Request for Investments (RFI) for emergency shelter included new standardized requirements for *enhanced* programs providing case management and housing

outcomes, as well as participation in HMIS. However despite this requirement, emergency shelters did not begin participating in Safe Harbors across the board until 2012.

HSD generally runs several RFIs each year, and they are usually specific to a certain program area or service for a designated population. An RFI can include all funding for a program area, such as the 2011 RFI for Homelessness Prevention, or can include only a smaller amount of new funding, such as the 2009 RFI for Day Centers. Not all new funding is allocated through a competitive process, and often funding added through the budget process is earmarked for a specific activity or agency. For example, since 2005 nearly \$3 million has been added by the office of the mayor and city council for emergency shelter, and less than 15% of that was put out for competitive bid. Over the last ten years, City Council and the Mayor have added approximately \$12 million in new funding for homeless services and HSD staffing, and over \$8.6 million of this (or 72%) was earmarked for a specific activity or organization.

ADDRESSING DISPARITIES IN HOMELESSNESS

People of color have higher rates of poverty and economic instability compared to white people, and is therefore at greater risks of experiencing homelessness. People of color continue to be disproportionately represented in emergency shelters, especially those who identify as Black/African American. These disparities are particularly striking when looking at data on families served in our emergency shelters. According to a 1986 report on homelessness in Seattle & King County, people of color made up 49% of those accessing emergency shelter. In 2013, people of color made up **46% of single adults** and **72% of families** accessing emergency shelters in Seattle. Compare shelter population data to the general population profile in King County; where people of color comprise approximately 27% of overall population, and African Americans represent just over 8%, and disparity becomes obvious.

Table 1: Race of People Accessing Emergency Shelters 1985 & 2013
Source: 2013 AHAR and 1985 Report on Emergency Shelter in Seattle

Race	% in 1985 (All)	% in 2013 (Single Adults)	% in 2013 (Families)	% of Seattle Population
White (non-Hispanic)	51%	42%	18%	69.5%
Hispanic	13%	5%	8%	6.6%
Black	22%	28%	46%	7.9%
Asian	4%	3%	1%	13.8%
Native American	10%	5%	2%	0.8%
NHOPI	-	1%	3%	0.4%
Multi-Race	-	4%	12%	5.1%
Total % Person of Color	49%	46%	72%	33.7%

Population-level data in Seattle: Poverty in children of color remains higher than in white, non-Hispanic children in Seattle, and the prevalence of reported violence among young people with an intimate partner is on the rise. Blacks and Latinos are more likely to be in unaffordable housing than Whites, and White households are less likely to experience food insecurity than multi-racial, Latino, Black or Native Pacific

Hawaiian Islanders. Among the aging population, American Indian, Black and Latino elders are more likely than non-Hispanic whites to be in poor health.

Response to Disparities: Seattle's **Race and Social Justice Initiative** (RSJI) seeks to eliminate institutional policies and practices that perpetuate the disproportional numbers of people of color in our homelessness system. The Initiative is designed to create fundamental changes within City government to achieve racial equity in the City's services, operations, and the broader community. Despite these efforts, people of color continue to be overrepresented in the homeless service system. Although the City and HSD have largely focused on addressing racial disparities, there is still work to do.

LGBTQ Homeless and At-Risk Youth: Up to 40% of the homeless youth and young adult (YYA) population identify as lesbian, gay, bisexual, transgender, or questioning (LGBTQ). In 2005, HSD invested approximately \$152,000 in services tailored to serve homeless or at-risk LGBTQ YYA. In 2014, investments funded three agencies in Capitol Hill and South Seattle for the following services: drop-in center (548 YYA served), support groups (51 YYA served), peer employment opportunities (56 YYA served in short internships), street outreach focused on safer sex materials (386 YYA served), and community education through paid panel presentations (1,199 community attendance).

HSD Outcomes Framework: HSD has created a theory of change that ensures data informs our investments, particularly around addressing disparities. Using the theory of change, HSD's investments will focus on a measureable impact on the disparities that exist in our community. Equity goals are included in each outcome area. For example, in addressing the needs of LGBTQ youth, equity goals are:

- Ensure current programming reflects positive outcomes for youth of color and LGBTQ youth at the same rate as for white youth;
- Ensure youth of color have access to housing or services in their communities. Currently, homeless YYA programs serve on average 60% youth of color, yet programs for YYA are primarily located in the University District and Downtown, even though the majority of youth of color report living in South Seattle and South King County.

Spotlight: Housing Opportunities for People with HIV/AIDS Navigator
HIV/AIDS disproportionately affects people of color, including African Americans, Foreign Born Blacks, and Latinos. The HOPWA Navigator addresses disparities through programming, by increasing racially equitable access to safe, affordable housing and stability services. The pilot will launch in early 2015.

2014 HOMELESS SERVICES INVESTMENTS

HSD's investments in Homelessness Prevention, Intervention and Permanent Housing services represent approximately 1/3 of the department's overall budget. The figures here represent *only* the amount that is contracted out to community-based agencies in 2014, and does not include HSD administrative costs or HSD staff salaries for those who work on issues related to homelessness.

- Investments in **Homelessness Prevention** services are made via 26 contracts involving 21 agencies, including direct services through ADS, for a total investment of over \$4.55 million annually. This investment represents 11% of total investments in homelessness, and includes services such as rental assistance, eviction prevention, housing stability services for seniors, and tenant-based education.
- Investments in **Intervention Services** are made via 128 contracts involving 50 agencies, for a total investment of over \$28.68 million annually. This investment represents 70% of homelessness investments, and includes services such as emergency shelter, transitional housing, day/hygiene centers, street outreach, and meal programs.
- Investments in **Permanent Housing** are made via 29 contracts involving 10 agencies, for a total investment of \$7.59 million annually. This investment represents 19% of homeless investments, and includes services such as permanent supportive housing, and the rapid re-housing programs for families.

Table 2: HSD Investments by Investment Area and Population

Source: 2014 HSD Finance Contracts Report

Population	# Contracts	General Fund	Other Local Funds	State	Federal	Total
Homelessness Prevention						
All Household Types	7	\$678,736	\$541,850	\$0	\$330,345	\$1,550,931
Single Adults	4	\$126,540	\$0	\$0	\$164,306	\$290,846
Families	2	\$185,031	\$50,192	\$0	\$0	\$235,223
YYA	2	\$64,370	\$100,000	\$0	\$0	\$164,370
DV	0	\$0	\$0	\$0	\$0	\$0
Seniors & Adults with a Disability	11	\$875,419	\$0	\$469,219	\$970,633	\$2,315,271
Subtotal - Prevention	26	\$1,930,096	\$692,042	\$469,219	\$1,465,284	\$4,556,641
Homeless Intervention						
All Household Types	17	\$3,074,484	\$110,000	\$0	\$0	\$3,184,484
Single Adults	42	\$7,372,805	\$0	\$0	\$7,229,385	\$14,602,190
Families	25	\$3,510,481	\$0	\$0	\$1,944,058	\$5,454,539
YYA	34	\$1,892,701	\$0	\$0	\$1,914,161	\$3,806,862
DV	10	\$1,238,927	\$0	\$0	\$401,650	\$1,640,577
Seniors	0	\$0	\$0	\$0	\$0	\$0
Subtotal - Intervention	128	\$17,089,398	\$110,000	\$0	\$11,489,254	\$28,688,652
Permanent Housing						
All Household Types		\$0	\$0	\$0	\$0	\$0
Single Adults	25	\$1,118,125	\$0	\$0	\$5,770,608	\$6,888,733
Families	4	\$532,225	\$173,000	\$0	\$0	\$705,225
YYA		\$0	\$0	\$0	\$0	\$0
DV		\$0	\$0	\$0	\$0	\$0
Seniors & Adults with a Disability		\$0	\$0	\$0	\$0	\$0
Subtotal - Permanent Housing	29	\$1,650,350	\$173,000	\$0	\$5,770,608	\$7,593,958
TOTALS	183	\$20,669,844	\$975,042	\$469,219	\$18,725,146	\$40,839,251

Figure 2 highlights investments in the funding areas of Homelessness Prevention, Homeless Intervention, and Permanent Housing by population, such as youth and young adults, single adults, families with children, seniors, and survivors of domestic violence. Services for populations such as veterans and people with HIV/AIDS are included across multiple population groups, and are not addressed individually.

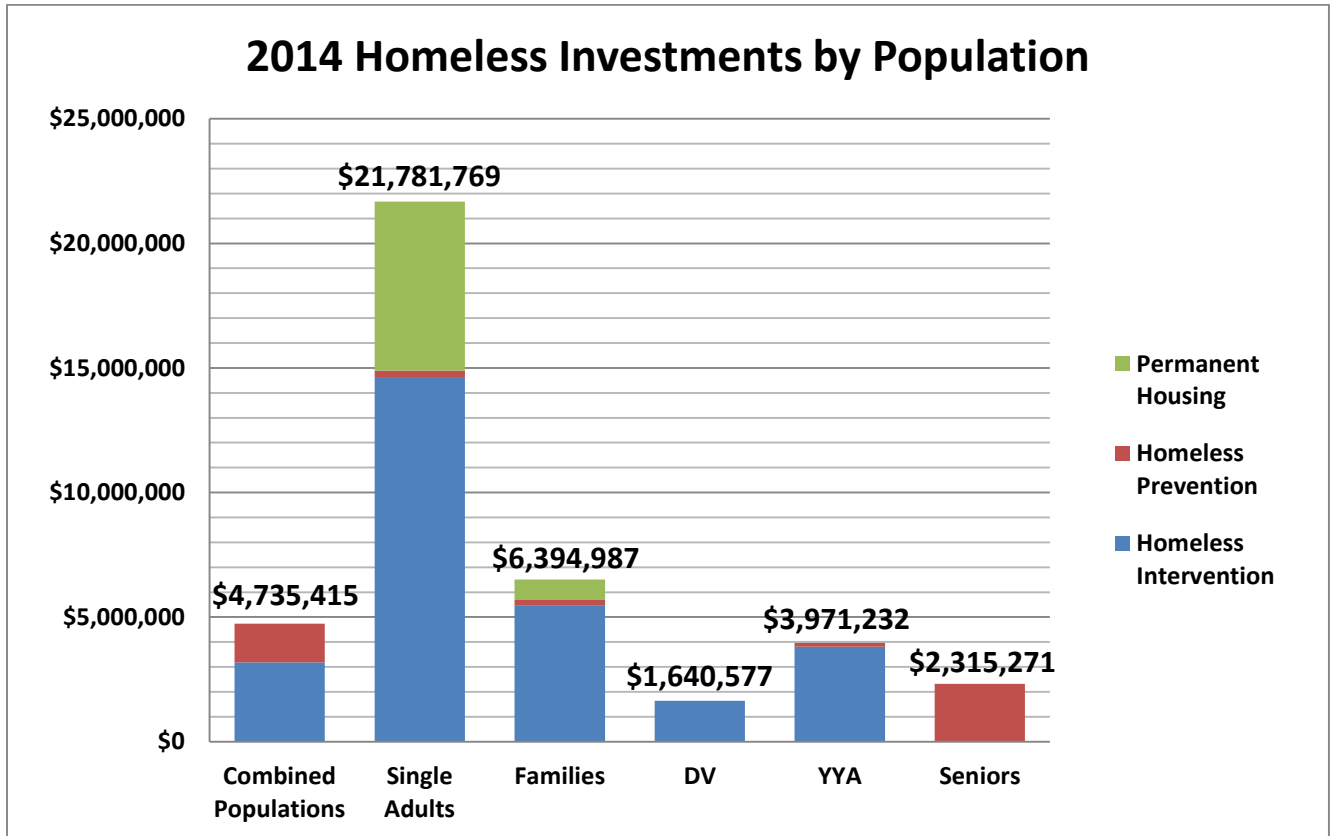


Figure 3: Total Investments in Homelessness Intervention, Homeless Prevention, and Permanent Housing: \$40,839,251

- HSD makes significant investments in homeless services for single adults, particularly in the areas of Intervention and Permanent Housing. Homelessness Prevention resources targeted specifically for single adults are limited; however, they can access services listed under “Combined Populations”.
- Homeless investments in services for seniors are in Homelessness Prevention, and are specific to participants in case management programs through HSD’s Aging and Disability Services division.
- The City of Seattle plays a limited role in permanent housing investments for families; King County is the primary investor in permanent housing for families. The City’s current investments in permanent housing for families are largely in rapid re-housing programs.
- Investments for youth and young adults are primarily made in Intervention Services, with very little invested in Homelessness Prevention services and nothing invested in permanent housing options for homeless youth and young adults.

Further analysis will explore HSD’s investments by Investment Area (Prevention, Intervention, and Permanent Housing) and Program Area (Emergency Shelter, Transitional Housing, Day Centers, etc.)

INVESTMENTS IN HOMELESSNESS PREVENTION

HSD invests just over \$4.55 million annually in services that either prevents individuals and families who are at-risk of becoming homeless from entering homelessness, or help people who have exited homelessness to remain stably housed. These programs include services such as rental assistance, utility assistance and supportive services directly related to the prevention of homelessness. Homelessness Prevention Rental Assistance programs went through a competitive funding process in 2011.

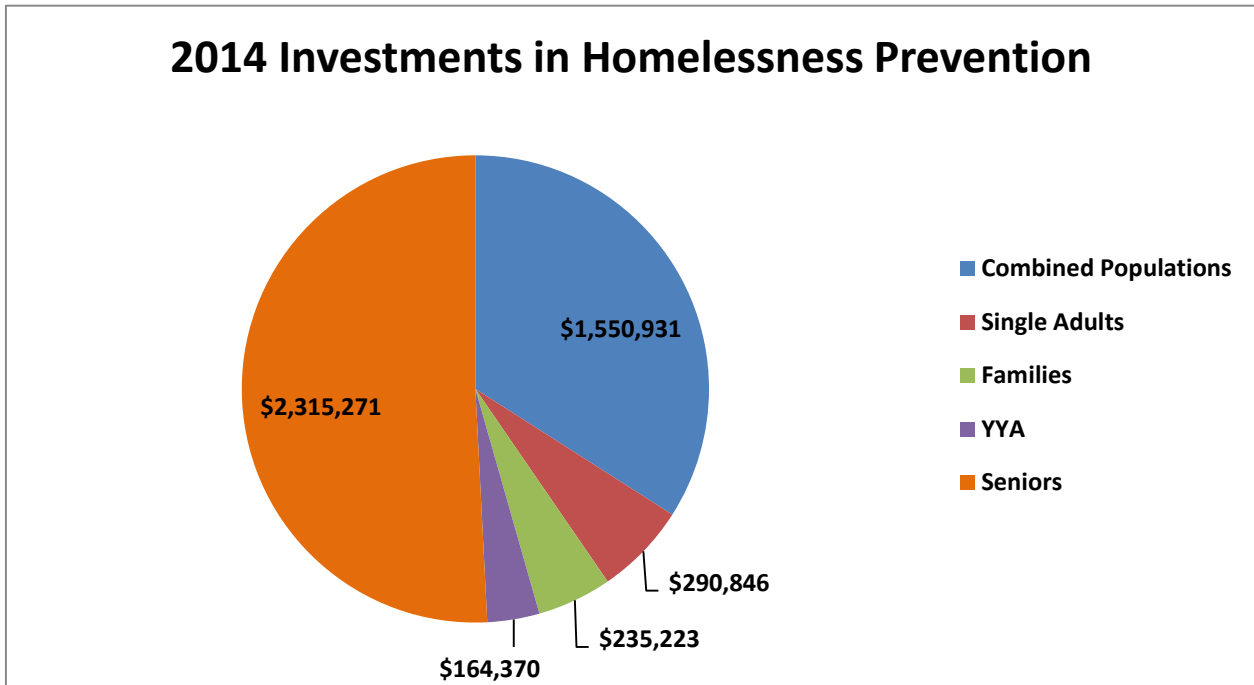


Figure 4: 2014 Investments in Homelessness Prevention Services: \$4,556,641

What are these services?

Homelessness Prevention services help people who are at imminent risk of homelessness to either remain in their home or to rapidly transition to a stable living environment. These programs provide intensive housing case management and financial assistance, including move-in expenses, housing search, short- and medium-term rental assistance, rental/utility arrears, and other costs associated with remaining stably housed.

PREVENTION FOR SENIORS

The Aging and Disability Services Division (ADS) provides site-based case management to seniors and adults with a disability in 52 Seattle Housing Authority (SHA) buildings. Twelve ADS case management staff provides direct services to clients, and ADS subcontracts with two community based organizations to provide services in four buildings. In 2013, at least 1,987 households were served through both case management programs.

Approximately 50% of funding for homeless prevention is administered through ADS, which provides case management assistance to seniors and adults with a disability to remain stably housed in their homes. These services have not traditionally been considered “homelessness prevention” services. However, preventing eviction is a key objective of this work, and these services are critical to maintain housing stability for this population.

RENTAL ASSISTANCE PROGRAMS

Programs that provide short- and medium-term rental assistance and case management support to individuals and families at-risk of homelessness are a direct and critical tool for prevention. The City invests just over \$1.9 million annually via 10 contracts with 9 agencies for these services. One of these contracts does not provide direct financial assistance, but offers “light-touch” information on tenant’s rights and technical assistance to promote housing stability. This approach is intended to intervene earlier (“upstream”) in a family or person’s experience of threatened housing, to provide the least amount of appropriate assistance needed to stabilize their housing situation .

The majority of these programs serve both single adults and families with children, with two programs serving only families with children, with an emphasis on immigrant/refugee families, and one program serving young families (18-25). No City-funded rental assistance program serves youth under age 18.

In 2014, 743 households were served through nine City-funded Rental Assistance and Homeless Prevention programs. Of those served, 588 households (79%) exited to a permanent housing situation, with an additional 40 households exiting to a temporary placement. The estimated cost per household served in these programs is \$2,367 per household. An additional 949 households were served through a Tenant Education program.

HOUSING STABILIZATION PROGRAMS

Housing Stabilization Programs support people who leave homelessness, by helping them acquire and remain in their new housing. Services can include case management, rental/utility assistance, landlord negotiation or tenant mediation.

In 2014, HSD invested \$303,043 across five programs with four agencies. Four of these contracts focus on single adults, and the majority of this investment (54%) focuses on housing stability for people with HIV/AIDS in permanent housing programs. One agency fills a critical needs gap even though it represents 4% of housing stabilization allocations and less than 1% of the overall investment in homelessness prevention services. Services focus on young adults exiting homelessness who are no longer eligible for “young adult” assistance because they have “aged out” meaning 26 year old and up.

INVESTMENTS IN HOMELESSNESS INTERVENTION SERVICES

In 2014, HSD invested over \$28.68 million in intervention services to support individuals and families who are currently experiencing homelessness. These investments are made through programs such as emergency shelter, transitional housing, outreach and case management, and day/hygiene services. Additional funds are generally put out for competitive bid as stand-alone processes, which increase administrative costs, are time-consuming and repetitive for provider agencies and may diminish the actual impact of those new funds.

While it is critical to support the needs of people experiencing homelessness, it is also necessary to ensure our investments align with Continuum of Care (CoC) and federal priorities. As federal priorities shift to increased support of permanent housing, rapid re-housing, and coordinated entry, our local investments have begun to shift as well to ensure alignment. This alignment has largely occurred as new funding is added, not necessarily through an evaluation and reprioritization of current base funding. This evaluation and reprioritization process should occur through competitive funding processes, which have not been completed on a regular cycle, and generally do not include all of the funding within the program area. For instance, HSD conducted a competitive RFI process in 2005 for emergency shelter. Since that time, at least \$3.58 million has been added between the Executive and City Council for emergency shelter, yet there has not been a robust competitive allocation process for emergency shelter since 2005.⁴

The City risks the loss of federal resources if investments are not aligned with national best practices promoted by the federal priorities.

Figure 5 shows investments in Intervention Services by program area. The largest percentage of these investments, 57%, is invested in emergency shelter and transitional housing.

⁴ The 2012 Letter of Intent (LOI) process was closed to currently contract agencies/programs, and is not considered a competitive process.

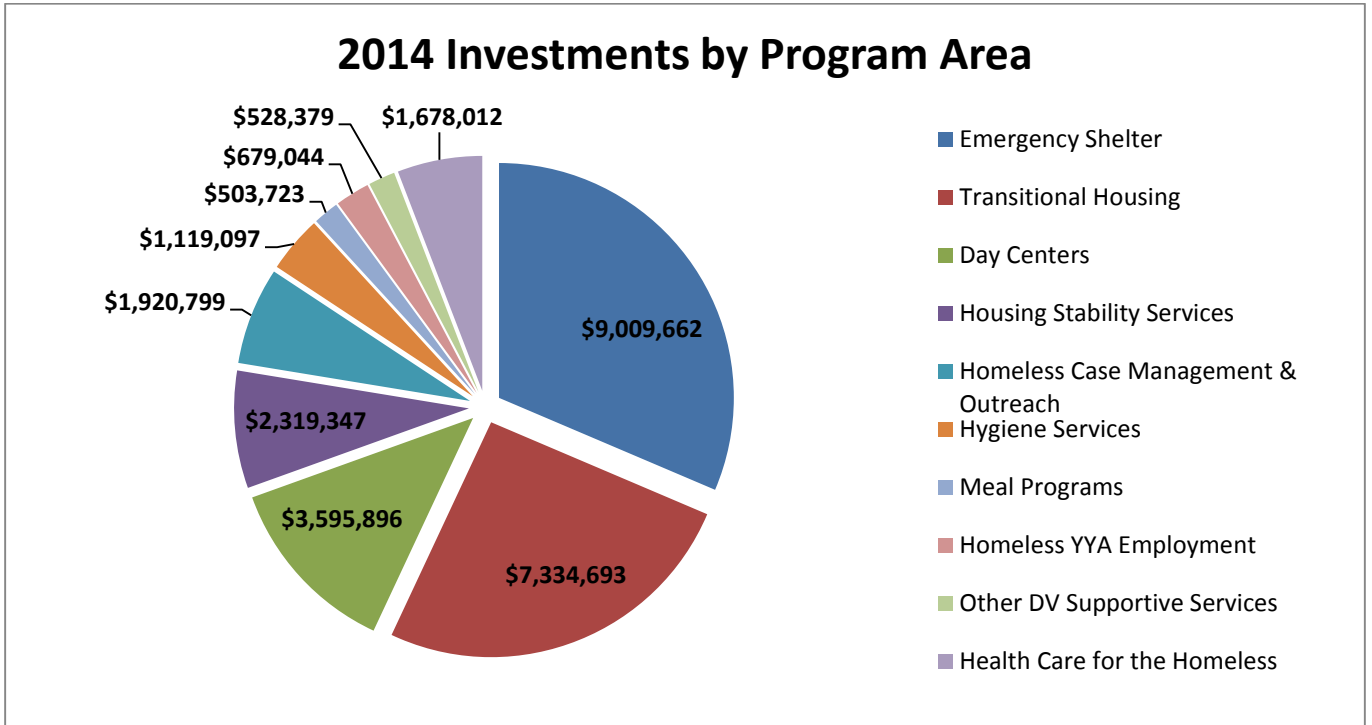


Figure 5 – Total 2014 Investments in Homelessness Intervention Services: \$28,688,652

Figure 5 shows investments in Intervention Services by population. As shown, more than half of these investments are targeted to single adults. The majority of these investments are from Seattle General Fund and 40% is from a variety of federal funding sources, such as McKinney and Community Development Block Grant funds. Federal funding represents 50% of funding for intervention services for single adults.

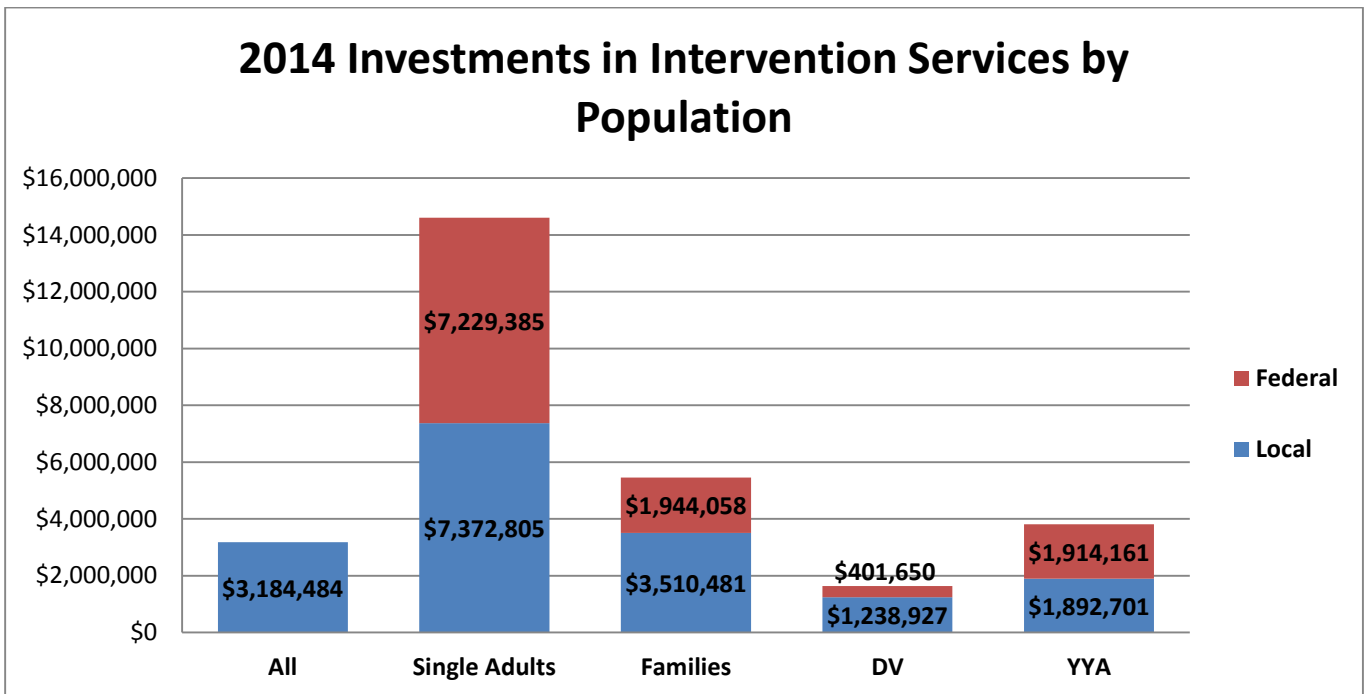


Figure 6 - Total 2014 Investments in Intervention Services: \$28,688,652

SEATTLE HUMAN SERVICES DEPARTMENT
Homeless Investment Analysis

Investments in Homeless Intervention services reviewed here are categorized into 10 program areas, and administered through a total of 128 contracts involving 50 social service agencies.

Table 3: 2014 Intervention Services Investments by Program Area

Source: HSD 2014 Contracts Outcomes and Safe Harbors HMIS 2014 Contract Monitor Report

Program Area	2014 Investment	# Contracts	# Agencies	Household Served ⁵	Exit to Permanent	Exit to Transitional	# Meals Served ⁶
Emergency Shelter	\$9,009,662	31	15	12,884	734	3,030	-
Transitional Housing	\$7,334,693	39	22	2,638	853	534	-
Day Centers/Drop-In*	\$3,595,896	13	11	10,943	228	68	122,206
Housing Stability Services	\$2,319,347	10	7	2,131	160 ⁷	31	-
Homeless Case Management & Outreach	\$1,920,799	12	11	1,604	237	229	-
Hygiene Services*	\$1,119,097	4	4	6,207	-	-	-
Meal Programs*	\$503,723	11	10	374,106	-	-	340,138
Homeless Youth Employment	\$679,044	4	2	1,423	24	60	-
Other DV Services	\$528,379	3	3	348	110	-	-
Healthcare for the Homeless*	\$1,678,012	1	1				-
TOTALS	\$28,688,652	128	50⁸				

*These programs do not consistently participate in Safe Harbors HMIS

The following sections provide more detail on each of the program areas listed in the above table. Program Areas were reviewed based on HSD's categorization of funding contracts, known as Strategic Investment Priorities (SIPs) which allows for the City to organize and track expenditures.

⁵ All Except Meal Programs: Total served is unduplicated within each program, but could be duplicated across programs. Analysis of cohort data conducted in 2012 found that over a 27 month period in emergency shelter for single adults, 52% of people used one shelter program, 37% used between 2-3 programs, and 11% used 4 or more programs.

⁶ Represents meals that HSD contracts with agencies to provide; additional meals may be provided at individual program site, and included in the overall contract cost for providing shelter, but not reported separately.

⁷ An additional 174 households were assisted to maintain permanent housing.

⁸ Indicates total number of unique agencies; some agencies administer contracts in multiple program areas.

Program Area: Emergency Shelter

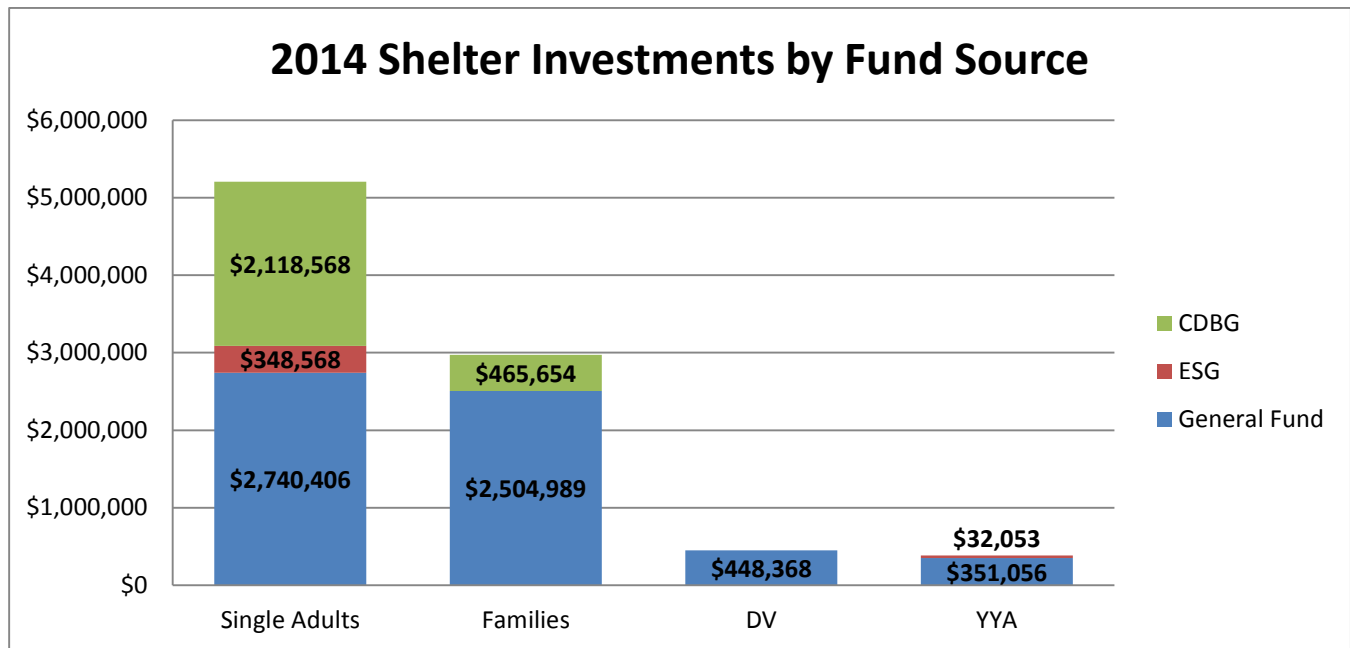


Figure 7: Total 2014 Investments in Emergency Shelter: \$9,009,662

What are these services?

HSD funds support operation of approximately 1,533 year round emergency shelter beds for single adults, families with children, youth, young adults, and survivors of domestic violence. Additional capacity is added through distribution of hotel/motel vouchers, which provide families and limited numbers of DV survivors with immediate placement into a motel and limited supportive services. Vouchers are not represented in the capacity chart because demand and available funds drive program capacity which fluctuates. HSD last conducted competitive funding for emergency shelter in 2005. A closed process (open only to currently-funded programs) was conducted in 2012.

Spotlight: The Shelter

YouthCare’s The Shelter provides emergency shelter for youth under age 18 who are homeless, neglected, abused, or runaways. The program uses beds in individual rooms, and is a distinct shelter model licensed by DSHS.

- Youth and young adults (YYA) access shelter through self-referral and use of a lottery system which allocates limited available beds. Shelter for YYA is primarily overnight-only, and uses a combination of bunk beds and mats on the floor. Case management services are offered and facilities provide varying levels of amenities such as showers, hygiene services and limited storage for client’s personal belongings.
- Families with children who are literally homeless on the street can access shelter through the Family Housing Connection (FHC), the King County-wide coordinated entry system for families. FHC is also the access point for other housing services for families, such as diversion, rapid rehousing, and transitional housing. Shelter for families tends to be provided in individual apartment-like units, with 24-hour access.

SEATTLE HUMAN SERVICES DEPARTMENT
Homeless Investment Analysis

- Single Adults access shelter primarily through self-referral directly with individual programs. Certain programs accept referrals through designated outreach staff or late-night referrals from *Operation Nightwatch*. Currently no coordinated entry system exists for single adults. Emergency shelter for single adults operates primarily for overnight stays, using a combination of bunk beds and mats on the floor in shelters. Some shelters provide limited storage, and varying levels of service connections and amenities such as showers on site, case management, and hygiene services.
- DV survivors access shelter through the *Day One* coordinated entry system. HSD provides 39 discrete housing units specifically for DV survivors, with another 10 units located at a semi-confidential location. DV Shelter operates 24-hours, and provides intensive case management and wrap-around services to keep clients safe and help them access a more stable living environment.

Who is being served by these programs?

In 2013, approximately 11,500 people were served in City-funded emergency shelters.

- Emergency shelters serve the very young - **55% of the 1,976 people served in family shelters⁹** were under the age of 18, with **25% five years of age or younger.**
- Programs serve older adults -with **24%** of the 8,558 people served in single adult shelters **age 55+.**
- Shelters serve a disproportionate number of people of color – **41%** of those served identified as a person of color, with **29% identifying as Black/African American/Other African**, compared to the general population in Seattle, where 8% of people identify as Black or African American.
- People served in shelter tend to have high rates of disabilities – **49%** of those served in single adult shelters and **26%** of those served in youth/young adult shelters reported having a disability. **11%** of those served across all emergency shelters were considered **“long-term” homeless.**¹⁰

Table 4: 2014 HSD-Funded Emergency Shelter Beds/Units by Population

Source: Safe Harbors HMIS, Annual Contract Monitor Report (1/1/14-12/31/14)

Population	2014 Funding	# Year Round Beds/Units	# Winter Weather Beds**	Total Households Served ¹¹
Single Adults	\$5,207,542	1,237	99	10,853
Families*	\$2,970,643	184		825
DV Survivors*	\$448,368	39		212
Youth (under 18)	\$75,627	8		98
Young Adults	\$307,482	55		896
Totals	\$9,009,662	1,533	99	12,884

*Indicates additional programs which provide emergency voucher assistance; these programs do not have a set capacity

**Additional Severe Weather Shelter capacity is made available during the coldest times of the year.

⁹ Some of these programs also serve single women.

¹⁰ HUD defines a chronically homeless person as “either (1) an unaccompanied homeless individual with a disabling condition who has been continuously homeless for a year or more, OR (2) an unaccompanied individual with a disabling condition who has had at least four episodes of homelessness in the past three years.”

¹¹ Total served is unduplicated within each program, but may be duplicated across programs.

Program Area: Transitional Housing

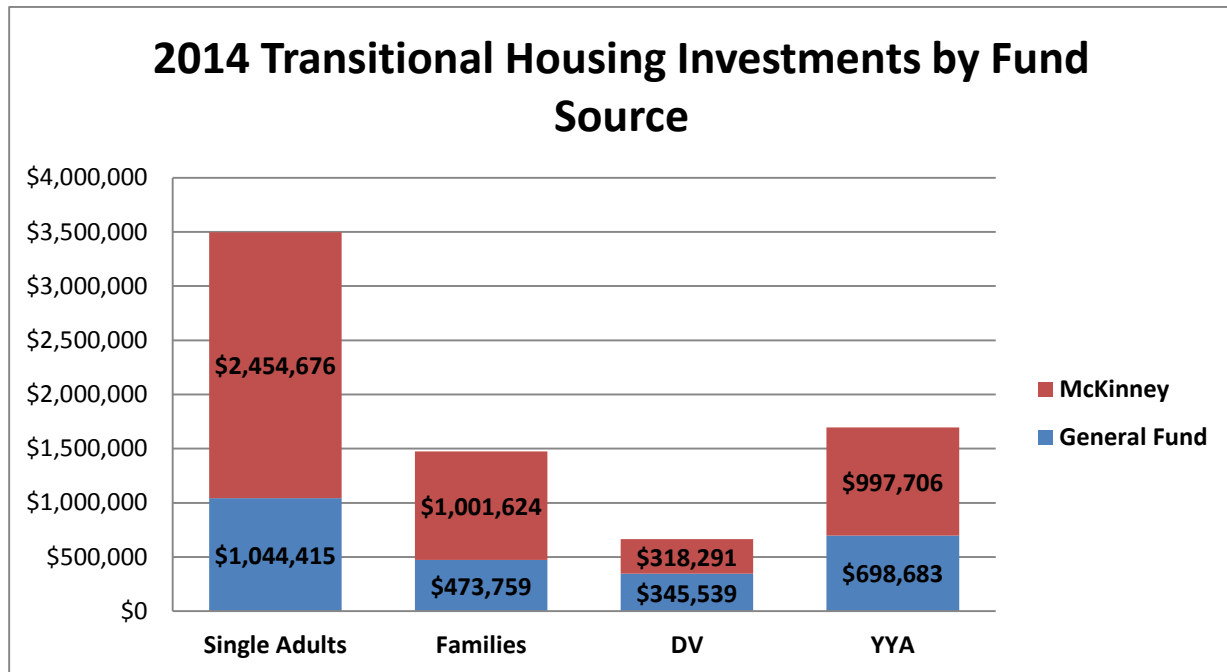


Figure 8: 2014 Total Investments in Transitional Housing: \$7,334,693

What are these services?

HSD invests over \$7.33 million across 39 contracts and 22 agencies, to fund approximately 647 units of transitional housing (TH) for single adults, families, DV survivors, youth and young adults. Transitional Housing programs allow participants to stay between 12 - 18 months, while working on employment connections, connecting to mainstream resources, and developing a housing stability plan for exit to permanent housing. Funding comes from federal McKinney and local General Fund dollars, which are largely committed as McKinney match funds. Families, youth and young adults are all placed into transitional housing through the coordinated entry systems. Some programs captured in this category provide limited scattered site voucher capacity, which is not represented in the units here, as well as capacity around workforce development.

Investments specifically for survivors of domestic violence include \$663,830 in transitional housing programs via 4 contracts, supplying approximately 80 units. Additional housing stability services connect survivors with rental assistance and other wrap-around services that help keep survivors in their housing, when safe, or rapidly find them a new housing situation. HSD last conducted a competitive funding process for transitional housing in 2005.

Who is being served by these TH programs?

In 2013, approximately 2,352 people were served through HSD-funded transitional housing programs.

- Transitional housing programs serve the very young - 56% of those served in family TH were under the age of 18, with **28% five years of age or younger**.

- **53.4%** of those served in TH programs identified as a person of color, with 40% identifying as Black/African American/Other African, compared to the general population in Seattle, where 8% of people identify as Black or African American.
- **Single Adult and YYA TH programs** are serving people with high rates of disability, **62% and 19%** respectively, while only 13% of people served in family shelters reported having a disability.
- **37%** of those served in TH were considered **“long-term homeless”**.

Table 5: 2014 HSD-Funded Transitional Housing Beds/Units by Population

Source: Safe Harbors HMIS, Annual Contract Monitor Report (1/1/14-12/31/14)

Population	2014 Funding	# of Contracts	# Agencies	# Year Round Beds/Units	Total Households Served	Exit to Permanent	Exit to Temporary
Single Adults*	\$3,499,091	11	7	267	1,977	582	426
Families	\$1,475,383	12	6	191	334	142	56
DV Survivors*	\$663,830	4	4	55 units, at least 80 beds	113	43	11
Youth & Young Adults	\$1,696,389	12	9	109 beds	100	37	16
Totals	\$7,334,693	39	22	622 units, at least 647 beds			

*There are additional programs that provide supportive services in transitional housing; they do not have a set capacity.

Program Area: Day/Hygiene Centers

What are these services?

HSD invests over \$4.71 million in day, hygiene and drop-in centers for adults, families, and youth and young adults, via 17 contracts involving 13 agencies. Thirteen day center/drop-in programs provide a variety of supports and amenities for clients, including day shelter, meals, bathrooms, case management, service referrals, access to nursing services, and more. At some day centers, data is entered only on the individuals receiving case management assistance for housing or employment, not on everyone served in those programs because client contact with can be brief. Four hygiene centers provide clients with access to critical hygiene services such as restrooms, showers, hygiene kits, and laundry services.

Spotlight: Drop-In Centers for YYA

Drop-In Centers for YYA provide education, employment internships on-site, mental health, and chemical dependency outpatient services, as well as a site for YHC assessments, help with family reconnection, and links to LLP and employment. Outreach offers links for street entrenched youth with drop-in and housing case management.

Five of the day/hygiene contracts are focused on serving youth and young adults, 10 are focused on serving single adults (with three limited to single adult women), one serves families and single women, and one is open to all populations. HSD last conducted a competitive funding process for day and hygiene centers in 2012.

Who is being served by these programs?

In 2014, approximately 10,500 people were served across 13 day center contracts, and 6,200 people were served through four hygiene centers. 228 households were able to secure permanent housing, and an additional 68 households went into transitional housing. 902 people received assistance with securing employment or completing an internship across four programs. Drop-in and hygiene centers support all populations, including youth and young adults, to build knowledge and trust to get off the streets and into services that increase employability and help access housing. This safety net is critical to provide for all populations experiencing homelessness while waiting for housing.

Outcomes and milestones are not consistently collected across this program area, and data is collected in a mixture of duplicated and unduplicated counts, both within and across programs, making data analysis difficult. Currently, none of the hygiene centers participate in Safe Harbors, King County's web-based database system. The 2012 Request for Investments (RFI) funding process required that all awarded agencies participate in the Safe Harbors Homeless Management Information System (HMIS), but this has not yet been implemented. Due to the high volume of clients served in some programs and the often "light-touch" services provided, providers opted not to participate in HMIS. In 2015, Safe Harbors is launching a new feature which will allow streamlined data entry on people being served in Day/Hygiene Center programs to avoid undue burden on program staff.

Program Area: Case Management & Outreach

What are these services?

HSD invested nearly \$3.6 million in 2014, via 13 contracts involving 11 agencies, for programs that provide outreach, case management and service connections to individual, families, youth and young adults.

For single adults, the Multi-Disciplinary Team (MDT) serves people with a high street presence in the downtown core. Kids Plus serves families whose children have complex medical needs. Health Care for the Homeless provides various healthcare supports such as medical and dental services for people experiencing homelessness. Outreach takes time to build intentional relationships that acknowledge the fact that people cannot be forced to accept referral to services or shelter. Outreach doesn't replace the need for a strong, coordinated public safety response.

Due to their developmental stage, homeless youth and young adults often need extra assistance to connect to housing. In response, HSD funds eight agencies to provide intensive case management outside of housing programs to connect young people to employment, mainstream benefits, and transitional and permanent housing. Agencies are primarily located in Seattle, with federal McKinney funding making it possible for two agencies to be located outside Seattle, one in East and one in South King County. Five of the case management agencies are part of the PRO Youth program, highlighted in this section.

HSD partially funds additional YYA outreach service, which are integrated into other service contracts noted in previous sections.

Who is being served by these programs?

The MDT and Kids Plus served a total of 276 households with 525 individuals in 2014. Of those served, 55 exited to permanent housing and an additional 91 exited to transitional housing. Street-based outreach provides opportunities to connect with clients, and build intentional relationships to support increased stability and health, connections with services such as chemical dependency and mental health, employment, and transition into stable housing.

Case management programs provided outside of housing has led to 714 homeless youth and young adults ages 15-25 being enrolled, with 215 participants moving to permanent housing through reconnection with family/friends or market rate housing, 78 participants transitioning into transitional living; and 193 YYA increasing their income. Within the PRO Youth programs, 60% of clients identified special needs at intake, including 35% mental illness, 32% drug and alcohol abuse, 14% chronic health condition, 12% developmental disability, and 8% physical disability.

Health Care for the Homeless provides a variety of healthcare services for families and individuals who are homeless, including medical and dental services, as well as training for staff in homeless programs in Seattle on preventing communicable diseases. In 2014, the HCHN investments provided over 34,000 healthcare encounters to homeless people in Seattle, with over 5,700 unduplicated homeless individuals who had improved access to healthcare through participation with HCHN nurses, and 702 outreach visits to encampment resulting in 105 referrals into shelters. HCHN services are underutilized by YYA for routine care and/or chronic health conditions.

Program Area: Housing Stability Services

What are these services?

HSD invests over \$2.3 million in Housing Stability Services that are considered a subset of Intervention Services, via 10 contracts involving 7 agencies. Five of these contracts are open to all populations, three are limited to people with HIV/AIDS, and one is limited to families. This service area captures a variety of programs that provide assistance with housing stabilization support, such as intensive case management, housing placement, access to furniture for households exiting homelessness, outreach, diversion from shelter, and landlord negotiation. HSD last conducted a competitive funding process for day and hygiene centers in 2012.

Who is being served by these programs?

Data for four contracts¹² in Safe Harbors show that 375 households were served in 2014, with 154 households exiting to permanent and 23 to transitional or temporary housing.

Spotlight: Shelter Diversion for Families

In 2014, in partnership with Building Changes, HSD launched the Diversion Pilot to divert families experiencing homelessness from shelter. A national best practice, the pilot served 272 households, assisting 128 households into stable housing without entering shelter. This came at an average direct financial assistance cost of \$1,327 per family. There is opportunity to expand the model, to help more families experiencing homelessness, as well as those who are at risk of becoming homeless.

¹² One of these contracts is with Building Changes, which includes funding for the four diversion programs.

Data for the remaining contracts is available in HSD's contract database, where housing stability services served 397 households, helping 273 households either obtain or maintain stable housing. In addition, 1,139 households were provided with furniture to help them transition from homelessness to housing.

Program Area: Homeless Youth Employment

What are these services?

HSD invests \$679,044 in employment services for Homeless Youth and Young Adults, through four contracts across two agencies. These services include case management working with youth and young adults to achieve self-sufficiency goals and other skills associated with work readiness, employment training, placement into employment, and other developmentally-appropriate services. One of these programs is targeted to LGBTQ youth and young adults, providing employment, self-care, and basic needs support, and skill-building opportunities for homeless and at-risk YYA ages 12-24.

In addition to these investments, the City invests in five time-limited internships located at three drop-in centers in the U-District, Downtown, and Central Seattle (discussed in the Day Center section). Homeless youth and young adults learn employment soft skills while being paid to participate in funded internships. Additionally, the investments discussed in the previous section, *Case Management and Outreach*, includes outreach services that focus on employment for YYA.

Who is being served by these programs?

In 2014, 1,423 youth and young adults were served across these four programs. This includes 1,199 who were involved in LGBTQ community activities, and 84 who entered more stable housing. 234 YYA successfully completed either pre-employment training, or a paid internship or employment opportunity.

In 2014, other City funded employment programs saw 162 homeless youth and young adults successfully complete internships. Employment and education are key developmental skills needed to support homeless YYA to exit homelessness and avoid returning.

Program Area: DV Supportive Services

What are these services?

HSD invests \$528,379 across three contracts for DV services for people who are experiencing homelessness, outside of the investments captured in emergency shelter and transitional housing; this funding represents approximately 1/3 of investments in homeless services for DV survivors. These programs provide housing assistance, intensive case management, connections to other services, limited motel vouchers, and other supports as-identified by the clients. These investments are part of a larger response to people who are experiencing domestic violence, providing legal assistance, financial counseling to repair credit that may have been damaged by an abuser and other supports. There are high barriers for immigrant & refugee families experiencing DV, who are frequently unwilling to leave their homes to go to a hotel/motel or emergency shelters.

Who is being served by these programs?

In 2014, 348 people were served across three programs, and 110 were placed in to permanent housing.

Program Area: Meal Programs

What are these services?

HSD invests just over \$500,000 in emergency meal programs for people experiencing homelessness, via 11 contracts involving 10 agencies. The majority of these programs are open to everyone, and three are limited to a specific population (one for families and single women; one for young adults; and one for single adults).

Meal programs provide hot meals to people who are low income or homeless. The majority of meal programs are co-located with other shelter/day services, such as the ROOTS Young Adult Shelter Meal, El Centro de la Raza's Latino Hot Meal Program, and the Seattle Indian Center's Community Hot Meal Program. A competitive funding process for meal programs occurred in 2014.

Who is being served by these programs?

Participants are not required to be homeless in order to receive a hot meal, although the majority of them are. In 2014, over 340,100 meals were served through these 11 contracts to low income and homeless individuals. In addition to these contracts, two day centers serve meals to clients, serving a total of 122,206 meals during 2014.

There is a clear need for increased meal programs in our system. In 2014 HSD conducted a competitive RFI for City funded Food and Meal programs; HSD received 21 applications for meal programs. Due to the limited amount of available funds and the high demand, HSD was able to fund only 10 meal program proposals. There were 6 promising, new meal programs requesting just over \$364K that did not get funded. Two of these programs proposed to end hunger and develop food stability for 1,625 homeless young adults, age 18-25.

Currently, meal programs do not consistently collect or report standardized outcome or demographic data on who was served.

INVESTMENTS IN PERMANENT HOUSING

HSD invests just over \$7.59 million annually in services that provide permanent housing for individuals and families who are homeless. The majority of the funding for permanent housing, 76%, comes from the federal McKinney grant.

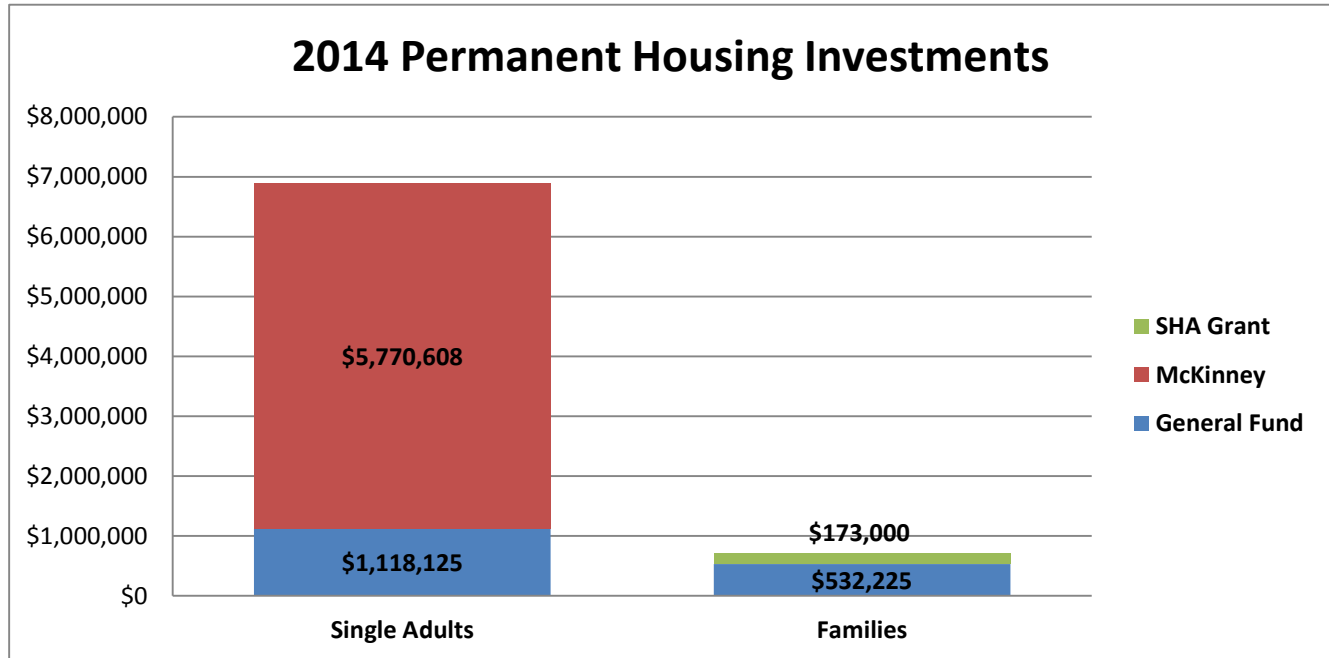


Figure 9: Total 2014 HSD investments in Permanent Housing: \$7,593,958

What are these services?

Most of the funds (91%) are dedicated to permanent supportive housing programs for single adults, funding 1,095 Permanent Supportive Housing units. 591 of these units are reserved for individuals who are chronically homeless. Services are run by 9 agencies via 25 contracts with HSD. Some contracts fund the actual program beds, while others fund the wrap-around services associated with the beds. Additional capacity is funded through scattered site leasing.

The remaining 9% of funding supports programs for families with children, via four contracts involving three agencies, conducting rapid re-housing programs. The chart above does not include capital investment money allocated through the Seattle Office of Housing for permanent supportive housing units and other permanent housing projects.

Who is being served by these programs?

Programs for single adults served a total of 1,043 households, 326 of which were new households entering the programs. 80% of those who entered these programs remained in the program; of those who exited, 50% entered either a transitional or permanent living situation.

Within the five programs serving families with children, 91 households were served, with 34 families moving into permanent housing and an additional 13 exiting to a temporary living environment.

There is a shortage of Permanent Housing options for *all* populations, especially housing for young adults. CEH YYA Initiative data shows that rental assistance is successful with young adults, particularly among youth of color. Lack of sufficient affordable housing resources and competition for valuable land suitable for building projects makes it challenging for people to exit from transitional housing to permanent housing.

SEATTLE OFFICE OF HOUSING

In addition to the investments HSD makes to make homelessness **rare, brief and one time**, the Seattle Office of Housing (OH) makes significant investments in the development of affordable permanent and transitional housing units, including some that are specifically dedicated to individuals and families exiting homelessness.

Since the inception of the Seattle Housing Levy in 1986, OH has invested over \$231.4 million in capital funding towards the development of 7,127 affordable housing units, leveraging funds for an overall investment of \$852.9 million. Of these, over 3,500 permanent housing units and 800 transitional housing units were dedicated to homeless families and individuals. Specifically in 2013 and 2014, OH invested over \$14.77 million in capital funding towards the development of 225 permanent housing units, leveraging funds for a total investment of over \$55.64 million. Of these, 188 units were dedicated to homeless families and individuals.

In addition to capital investments, OH provides Operating and Maintenance (O&M) support, funded through the Seattle Housing Levy. O&M is especially needed where rents from tenants, such as formerly homeless residents, do not cover the full cost to operate and maintain the property. During the last three voter approved levies, O&M has supported 44 projects with 633 O&M units. This represents a total O&M disbursement of \$1.3 million in 2013 and \$1.4 million in 2014.

PEER COMPARISONS

Attachment A compares Seattle to cities of similar size and demographic profiles. Staff reviewed key strategies and goals, sources of funding, uses of funding and point-in-time (PIT) homeless counts within these communities. The following section provides an overview of options for:

- Aligning homeless services funds with stated goals;
- How local (general fund) investments in programs help make homelessness rare, brief, and one time; and
- The role of state and federal funding contributions.

It is important to note our ability to draw conclusions from community comparisons is limited, **due to variations in how jurisdictions support people experiencing homelessness in their community**. Although the commitment to addressing homelessness is evident, it is challenging to make around direct program comparisons because:

- Some jurisdictions are City/County partnerships and include funding from both jurisdictions, as well as state and federal sources, while others (such as Baltimore and Seattle) look only at City resources.
- Fund sources invested in homeless assistance programs vary across jurisdictions.
- Not all jurisdictions' homeless services investments are aligned with their 10-Year Plan to End Homelessness strategies.

Each jurisdiction reviewed is nearing the end of their Ten Year Plans, and have paused to analyze programs, outcomes, and investments, and develop next step strategic plans to refocus resources and initiatives. Although each jurisdiction approaches their "reset" based on local circumstances, data, and funding, several common themes are clear:

- Emphasis on **program accountability** and using **data** to make decisions.
- Recommendations to shift funding to support **prevention, rapid re-housing** and **diversion** efforts. This shift is based on national evidence-based practices and local experience with programs that work to keep people out of homelessness.
- Most cities have strategies that focus on specific populations. All strategic plans include multiple program areas or goals to address homelessness, with basic similarities in key goals and strategies.

When compared to sample cities, **Seattle has or is in the process of implementing best and promising practice strategies:**

- Shift to Housing First, and an increased focus on Rapid Re-housing;
- Review of our family system investments and system conversion, as well as the work on the Youth and Young Adult Homeless Initiative refresh, which should have updated outcomes and measures available in March 2015;
- Increase outreach to those who are unsheltered, intensive focus on permanently housing long-term shelter stayers, and focus on ending street homelessness in downtown;
- Increase affordable housing choice opportunities;
- Through system conversion, review the role and purpose of transitional housing;
- Implement coordinated entry and assessment for all populations as a recommended best practice.

However, there are areas for improvement where Seattle could be more aligned with the sample cities, such as:

SEATTLE HUMAN SERVICES DEPARTMENT
Homeless Investment Analysis

- Acknowledging the need for increases in prevention funding and programs across populations;
- Alignment with Ten Year Plan in goals, strategies, and funding; and
- Inclusion of health outcomes in evaluation and development of programs.

To supplement the peer comparisons, staff also spoke with communities which have undertaken program and funding realignments to better match resources with needs. [Columbus](#), [Chicago](#), and [Hennepin County](#) shared strategies for implementing program and funding shifts, through this several main themes emerged:

Community:

- All jurisdictions emphasized the need for significant community planning, engagement, relationship-building, and educational campaigns with providers and consumers and ample time in which to do it. This assures stakeholder representation and buy-in to follow through with decisions around shifts.

Funding/Funder Solidarity:

- Funders have to work together and be on same page.
- Loss of funding to agencies due to shifts in priorities is rarely backfilled by local funds, if backfilling occurs it is aligned with resources that are better suited for a specific project or population.
- New funding is dedicated to identified needs, generally identified in Ten Year Plan resets, such as prioritizing families experiencing homelessness over single adults experiencing homelessness.
- Regular request for proposal processes keep funding aligned with need and best practices, usually on two year cycles.

Funding Decisions:

- In some cases, funding decisions are made by committees composed of broad community representation rather than staff. In Columbus, OH, the Community Shelter Board, a public-private partnership, is responsible for determining investments. The organization receives \$13 million annually from city, county, state, federal, United Way, foundation, and private investor funds.

Planning:

- Shifts are data-driven and based on extensive planning. Planning efforts included several years of analysis, community engagement, and relationship building with providers, consumers, and funders to successfully implement realignment.

Evaluation:

- Extensive and regular evaluation of both programs and agencies and their relationship to system priorities is crucial.
- Low performing projects do not always continue to receive funding. Having a clear understanding of the community priorities is critical to developing the support to reallocate low performing projects.

Reasons for Realignment:

- Some change is driven by HUD through shifts in priorities and policies for Continuum of Care funding; others are driven by continuous program evaluation. Columbus, OH indicated they are constantly realigning their programs and funding to address identified needs.
- Some shifts are done to align with best and evidence-based practices.

BIG PICTURE OBSERVATIONS

OVERALL FUNDING:

- City of Seattle investments are part of a larger system providing services and support to homeless and low income individuals in Seattle and King County. According to several analyses by City Budget Office (CBO):
 - City General Fund support for homeless services has grown from \$9M in 2005 to over \$22M in 2014, representing a 102% increase (inflation adjusted).
 - External funding (largely CDBG and McKinney-Vento) for homeless services has increased from \$15M in 2005 to \$16M in 2014. External funding has remained relatively flat, declining in real dollars by 11% (inflation adjusted). However, City General Fund support has more than backfilled total dollar value of the external revenue lost during this time.
 - In 2005, external revenue represented 62% of all homeless funding. In 2014, that percentage has fallen to 42% while City General Fund now represents nearly 60% of all homeless funding. These numbers have flipped in 10 years.

SPENDING OBSERVATIONS:

- City spends \$4.5M (11%) in “prevention services”; \$28.7M (70%) in “intervention services” and \$7.6M (19%) in “permanent housing services”, indicating the vast majority of funding goes towards services intended to help people once they are experiencing homelessness. Relatively speaking, much less is spent on “up-stream” prevention and on permanent supportive housing or rapid rehousing efforts.
- By population, over half of all funding is concentrated on single adults (\$21.7M) and the rest (\$19M) split between families, DV survivors, seniors, youth and young adults. As part of a larger system, King County is the primary funder of emergency shelter for families, and transitional housing for all populations.

HIGH LEVEL TAKEAWAYS ON CURRENT PRACTICES:

- The City has not approached investments in homelessness based on a reasonable objective evaluation of all services, comparison of outcomes, and alignment with longer term goals. Competitive funding processes have been inconsistent and too limited in scope.
- Many key elements of the 2012 Investment Plan for homeless services (Communities Supporting Safe and Stable Housing) have not been implemented, including a failure to shift even a modest 2% goal of “base-funding” from intervention services to other strategies and best practices.
- City funding is allocated and evaluated at the incremental programmatic level and not systemically and objectively as part of a “seamless system of services”.
- Funding decisions (primarily new funding adds), with some recent exceptions, have been earmarked for specific populations, agencies, or activities and are driven by advocacy, coalitions, and program advocates rather than guided by a policy framework designed by the City.

- Many cities, nearing the end of their Ten Year Plans, have focused resources and efforts to increase support for prevention, rapid rehousing and diversion efforts. These shifts align with federally mandated HEARTH measures, which impact federal funding allocation.
- Seattle has “added” funding in some program areas to support these national evidence-based best practices but has not “shifted” any base-funding away from existing programs.

HIGH LEVEL TAKEAWAYS ON FACTORS CONTRIBUTING TO & COMPOUNDING HOMELESSNESS

- Not all programs are required to participate in Safe Harbors HMIS system. This leads to incomplete and inconsistent data, limiting evaluation efforts.
- Erosion of State and Federal funding for medical and mental health systems, foster care and criminal justice institutions are factors in homelessness. Washington State is 47th in the nation for mental the number of mental health beds provided. .
- We cannot simply build our way out of homelessness. Our Continuum of Care is number three in the nation in the number of housing and shelter beds we’ve created, yet each year the number of unsheltered continues to grow.
- Poverty is on the rise in Seattle and King County, and housing costs have skyrocketed. A recent study highlighting key predictive factors to homelessness found that an increase in rent of \$100 correlates with a 15% increase in metropolitan homelessness.
- There are persistent racial disparities related to who is represented among the homeless population in Seattle. There are also, persistent racial disparities in health, education outcomes and the criminal justice system which speak to broader underlying societal challenges that need to be confronted.

RECOMMENDATIONS

- Develop a policy framework and investment plan for the City’s homelessness investments that aligns with and supports the regional Committee to End Homelessness’ Strategic Plan, the provisions of the federal HEARTH Act, and evidence-based best practices. Funding processes and program and budget allocations should follow this policy framework.
- Develop the capacity to collect and analyze program data, design consistent system-wide outcomes, and regularly evaluate the effectiveness of programs in meeting outcomes. Support all homeless services agencies in required participation in Safe Harbors HMIS.
- Use currently available predictive modeling tools to assess current system investments and needs and outlines funding and program shifts that may occur for prevention, intervention, and permanent housing programs to align with federal priorities and community need.
- Develop a framework for adding funding that incorporates advocates, coalitions, and constituents in conversations with HSD, creating a consistent policy to transmit budget requests with supporting data, analysis, and anticipated impact. This allows community engagement to drive the way council and the mayor add funding, rather than occurring during the allocation process after funding is added.

- Develop and fund a broader anti-poverty initiative, of which homelessness investments are a part. Long term investment strategies for homelessness will be most successful if there are fewer people coming into the system, and those that do are quickly connected with stable housing. This initiative should begin to address the racial disparities seen in our homeless system, but we must build on them and identify policies and procedures that perpetuate institutional racism and develop strategies for change.
- Partner regionally to address broken or dysfunctional mainstream systems contributing to the increase in individuals experiencing homelessness.

PATH FORWARD – NEXT STEPS

This investment analysis is part of a broader strategy in which the City of Seattle will develop a framework for investing in homeless services. Moving forward, HSD will design and implement a three-pronged strategy, which builds upon the 2012 *Community Supporting Safe and Stable Housing (CSSSH)* Investment Plan and other local and regional planning efforts. The three parts of this strategy are:

1. Shift investments and service provision to a **progressive engagement model**, to deliver a portfolio of services through a pilot with selected service providers.
2. **Scale recent pilots** with continual shift and focus on prevention and coordinated assessment/access.
3. Prioritize **system readiness**, within HSD and provider network with 3rd party consultancy.

Strategy #1: PROGRESSIVE ENGAGEMENT WITH A PORTFOLIO OF SERVICES	
This progressive engagement model combines a portfolio of services aimed at making homelessness rare, brief, and one time, and includes diversion, shelter, rapid rehousing, housing search and employment navigation. Administrative efficiencies can be created through a single contract for combined services.	
Alignment with Mayor’s Initiatives	Investment Analysis Observations
<ul style="list-style-type: none"> • A service portfolio enables HSD to test the national best practice of progressive engagement, and make homelessness rare, brief and one-time. • Progressive engagement supports seamless service delivery for people at risk of or experiencing homelessness. • This strategy allows for increased efficiencies through contract consolidation. 	<ul style="list-style-type: none"> • Majority of investments are for basic intervention services, with less “upstream” for prevention, diversion, and rapid housing access. • Opportunity for greater investment alignment for HSD and with other funders. • HSD has multiple service contracts with the same provider, increasing administrative burden. • The current system is fractured, and funded and evaluated programmatically rather than systemically.
Timeline: Strategy #1 will begin implementation in April 2015, with an estimated completion date to finalize the model in December 2015, to inform 2016 contracting. HSD will work closely in partnership with service providers and community partners to design and implement.	

Strategy #2: EXPAND NEW INVESTMENTS AND INITIATIVES TO SCALE	
Scale and Expand on several new investments and initiatives launched in 2014 and 2015, which are expected to have a positive impact on housing placement and shelter throughput.	
Alignment with Mayor's Initiatives	Investment Analysis Observations
<ul style="list-style-type: none"> • Long-term stayers (LTS) pilot – scale in order to continue to increase capacity within existing shelter system. • Rapid Re-Housing (RRH) pilot – scale and expand to all populations in order to prevent deep system involvement/chronic homelessness. • Diversion pilot – scale in order to divert and prevent chronic homelessness. • Commitment to ending homelessness for veterans. • Pilot efforts for increased coordinated assessment and access for single adults. • Working in partnership with other funders and the CEH. • Development of outreach, diversion, and public safety response to support encampment ordinance and provide appropriate service connection. 	<ul style="list-style-type: none"> • Need for expansion of 2014 diversion pilot for families. • Expansion of RRH for families, and implementation for single adults in June 2015. • Expansion of LTS project with new local and federal resources, beginning June 2015. • New investment in shelter capacity for men and youth (Unsheltered Task Force recommendation).
Timeline: Strategy #2 will begin implementation in April 2015, and will include analysis of measurable impacts of pilots implemented/expanded, to inform future funding additions.	

Strategy #3: SYSTEM READINESS WITH CONSULTANCY SUPPORT	
Shifting from a program investment strategy to a system investment strategy will require increased capacity and strategic planning and support both internally and externally.	
Alignment with Mayor's Initiatives	Investment Analysis Observations
<ul style="list-style-type: none"> • System readiness focus demonstrates commitment to capacity required for transformation change. • Consultancy provides increased validation and capacity support for change. • Potential role for City with coordinated assessment and housing placement for all populations experiencing homelessness. 	<ul style="list-style-type: none"> • Data and evaluation capacity required for systemic transformation does not currently exist within the system. • HMIS system needs ongoing support on data integrity, consistent provider participation, etc. • City of Seattle has not used predictive modeling tools to assess current system investments and needs. • The current system has been built with a focus on intervention services; there is not currently a strategic policy and investment framework. • Plan and design investment strategy for system transformation to be fully implemented through a competitive funding process in 2018.
Timeline: Strategy #3 will begin implementation in April 2015 with the development of the consultancy scope of work, and will support parts of Strategy #1 & #2, to inform future competitive funding processes.	

Attachment A: Snapshot-Comparison of Cities' Key Initiatives and Funding to Address Homelessness*

City	Key Strategies/Initiatives/Goals	Sources of Funding	Uses of Funding	Point in Time Count
Baltimore, MD (city)	Make homelessness rare and brief: <ul style="list-style-type: none"> • Homelessness prevention • Outreach to the homeless • Temporary housing for the homeless • Permanent housing for the homeless 	General Fund State Federal Special	Prevention: \$1,072,985 Outreach: \$1,056,585 Temporary: \$12,442,869 Permanent: \$25,408,378	2013 2,683 unsheltered 2,000 shelter and transitional housing beds
Denver, CO (city/county)	<ul style="list-style-type: none"> • Expand permanent and transitional housing • Create additional capacity in shelters as necessary • Prevent homelessness by providing coordinated funding for eviction and utility assistance • Services-assist people who are homeless to apply for public benefits • Public safety and outreach • Education, training and employment • Community awareness and response • Zoning, urban design, and land use 	Federal City Foundations Corporate and Individual Donations	Employment: \$212,000 Treatment and Services: \$2,287,235 Emergency Shelter, Motels, Family services: \$1,946,007 Housing and Transitional Housing: \$2,240,126 Staff: \$400,000 Street Outreach: \$934,640 Prevention: \$420,000	2013 city/county 4,904 sheltered and unsheltered

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City	Key Strategies/Initiatives/Goals	Sources of Funding	Uses of Funding	Point in Time Count
Minneapolis/Hennepin County, MN (city/county)	<ul style="list-style-type: none"> • Prevent homelessness • Provide coordinated outreach • Develop housing opportunities • Improve service delivery • Build capacity for self-support • Implement system improvements 	City of Minneapolis State of Minnesota Hennepin County Federal	Prevention and Rapid Rehousing: \$5,000,000 Outreach: \$1,000,000 Emergency Assistance: \$12,500,000 Housing Opportunities: \$9,000,000	2013 (city/county) Unsheltered: 210 Sheltered: 4,276
Portland, OR (city, county, city of Gresham)	Focus investments in 6 program areas: <ul style="list-style-type: none"> • Housing • Income and benefits • Health • Survival services • Access to services • Systems coordination 	General fund McKinney CDBG Emergency Solutions Grant HOME HOPWA	Access and Stabilization: \$638,325 Prevention and Rapid Rehousing: \$3,597,689 Supportive Housing: \$6,080,869 Shelter and Emergency Services: \$4,232,859	2013 (city/county) Unsheltered: 1,895 Sheltered: 2,546
Seattle, WA (city)	Make homelessness rare, brief, and one-time <ul style="list-style-type: none"> • Homelessness Prevention • Homelessness Intervention • Permanent Housing 	General Fund Other Local Federal CDBG State	Prevention: \$4,556,641 Intervention: \$28,688,652 Permanent Housing: \$7,593,958 (McKinney and General Fund only)	2013 (city/county) Unsheltered: 2,636 Sheltered: 4,131 Seattle only unsheltered: 1,989

*Please note that strategies and approaches and funding sources and uses included in homeless assistance programs vary greatly by jurisdiction. Our ability to draw conclusions from this information is limited.