

May 21, 2019

MEMORANDUM

To: Members of the Select Committee on Homelessness and Housing Affordability
From: Jeff Simms and Traci Ratzliff, Central Staff
Subject: Creation and Structure of a Joint Entity to Govern Homelessness Investments

In May 2018, the Mayor and King County Executive signed a memorandum of understanding agreeing to pursue the development of a single, joint entity to govern homelessness investments and programs in Seattle and King County. As part of the 2019 Adopted Budget, the Council adopted a Statement of Legislative Intent ([SLI 15-18-B-1](#)) that outlined a process for collaboration between the Council and the Mayor's Office to implement that goal, along with the County Executive and King County Council.

This memo outlines the anticipated benefits, timeline and process to creating a joint entity, and provides example organizational structures of the new agency. It is informed by presentations to the three Councilmembers that participate in the Client Group, a group established by SLI 15-18-B-1 to ensure collaboration and communication between the Mayor's Office and the Council. Each of these topics and processes will be formally presented to the Council's Select Committee on Homelessness and Housing Affordability (Select Committee) by the Mayor's Office or relevant contractors undertaking the work.

Potential Benefits

The City and County anticipate a variety of real benefits from creating a joint entity, including:

- **Preventing duplication** of services by combining City and County funding under a single entity with a systematic view covering all services;
- **Reducing the reporting burden** for grantees, who would no longer have contracts with both the City and County with differing performance metrics and reporting requirements;
- **Ensuring a system-wide, intentional approach** to preventing and ending homelessness by centralizing system-wide planning in a single entity that administers the investments for achieving that goal; and
- **Increasing credibility among stakeholders** in the vision and steps toward ending homelessness by creating transparent pathways to inform decisions with expertise and robust community engagement.

Process for Creating a Joint Entity

The Mayor's Office and the County Executive have contracted with the National Innovation Service (NIS) to manage the creation of the joint entity and have adopted a process proposed by NIS that includes a set of work groups and a steering committee. There will be four work groups:

- **Organizational Stand-Up:** Drives the administrative and operational work necessary to establish the joint authority, including planning and executing processes and procedures.
- **Community Engagement:** Design and drive collaborative and meaningful engagement with providers, customers, advocates, and key stakeholders within the homeless service system.
- **Policy and Planning:** Identify and consolidate into the joint entity the policies, programs, and regulations that will define the work to end and prevent homelessness.
- **External Affairs:** Develop and carry out a public communications plan for the public.

The four work groups are overseen by a steering committee. The steering committee serves as an advisory and accountability body to the Mayor, County Executive, and Councils. It provides process management, coordination, and strategy for the working groups to shape the final proposal for a joint entity that the Seattle and King County Councils will vote on. The members of each work group and the steering committee are included in Appendix A.

Figure 1: Process and Accountability Structure for Creating a Joint Entity on Homelessness

Working Groups

Process and implementation



Regional Action Plan

Parallel to the process to create a joint entity, a policy and strategy document is being developed to guide the work of the joint entity. A system audit and set of recommendations were developed and presented to the Council by NIS in December 2018. In addition, Focus Strategies has been contracted to conduct a fiscal analysis of the region's homelessness

investments. The results of the NIS system audit and Focus Strategies analysis will be compiled into a Regional Action Plan (RAP) that will be created by CSH. The RAP is likely to be a high-level document similar to pre-existing plans to end homelessness that will guide the joint entity in what interventions to invest in and strategies to utilize. The Policy and Planning Work Group will provide input on the RAP during its drafting and it will be presented to the Council during a meeting of the Select Committee.

Legal Pathway for Creation

There are multiple options for creating a joint entity, such as creating a public development authority (PDA) or creating a public nonprofit through the joint powers authorities provided in [RCW 39.34.030](#). The analysis completed to date suggests that the choice between the two legal pathways will not dramatically impact the work of the joint entity. The only significant difference between the two is that a PDA would have the authority to issue bonds, while a nonprofit would not. Given this context, the Mayor's Office has begun work with the Seattle Department of Human Resources to examine how the transition of employees from HSD to the new joint entity will work. This examination will include pension plan enrollment, health benefits, wage scales, and supervisory structures.

Tentative Timeline for Entity Creation

The current goal is to introduce legislation in the City and County Councils in late summer 2019 to approve an interlocal agreement and the other documents necessary to create a joint entity. To accomplish this goal, presentations to the Select Committee, preceded by meetings with the Client Group to provide initial feedback, are tentatively planned as follows:

Date	Client Group Presentation	Select Committee Presentation or Vote
May 9, 2019	Legal pathway for creation and governance structure	--
May 24, 2019	--	Legal pathway for creation and governance structure
May 30, 2019	Governance structure	--
June 13, 2019	Governance structure (con't); staffing, human resource and labor topics; and organizational chart.	--
June 24, 2019	--	Governance structure (con't); staffing, human resource and labor topics; and organizational chart.
July 11, 2019	Human resource and labor topics	--
July 22, 2019	--	Human resource and labor topics
August 8, 2019	Outstanding Issues	--

August 12, 2019	--	Consider ordinance
September 12, 2019	Regional Action Plan	--
September 13, 2019	--	Consider ordinance

Sample Structure

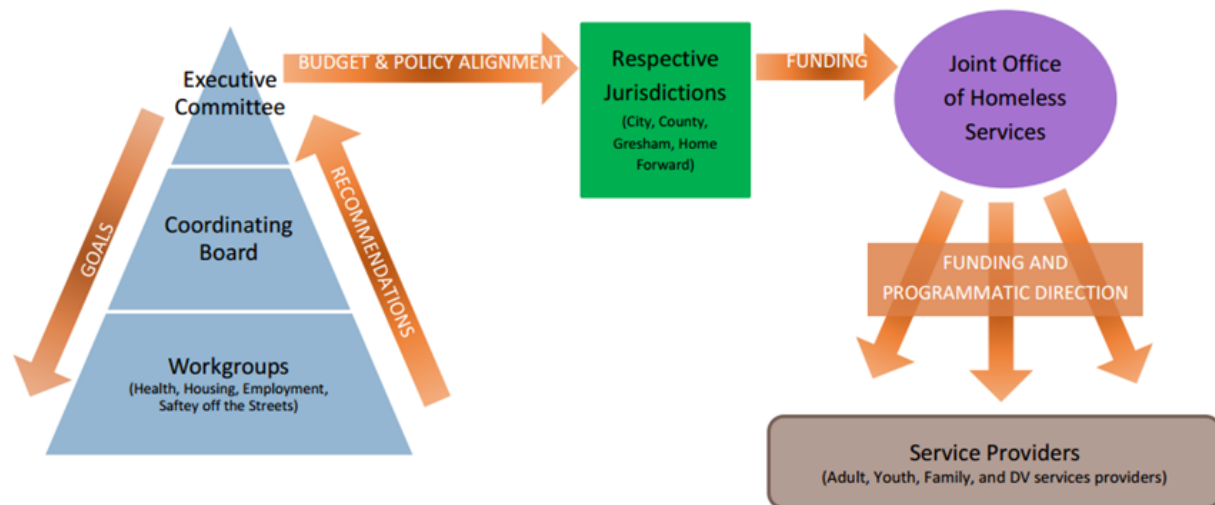
Based on presentations and input received to date, the Steering Committee, Mayor's Office, and Client Group, are considering a governing board composed of 7-13 positions. Exploration on whether elected officials or their appointees would sit on the governing board and what stakeholders would be represented on it is ongoing. At this time, the following stakeholder groups have been mentioned as potential members of the governing board:

- People with lived experience of homelessness
- Philanthropy
- Business community
- Labor
- Seattle Office of Housing

In addition, NIS, the Mayor's Office, and the Client Group, continue to engage with stakeholders to explore what other stakeholder groups or entities might work with, or as an advisor to, the future governing board.

One option is to adopt a structure currently used in Portland/Multnomah County, displayed in Figure 2, where governance resides in a Coordinating Board that has an Executive Committee and multiple working groups. In this model, the Executive Committee is the primary governing body for the joint agency and the Coordinating Board is assigned the duties and authority of a Continuum of Care (CoC) Board (e.g., selection of projects for in the CoC application, maintenance of the CoC data system, etc.) as required by the U.S. Department of Housing and Urban Development for all CoCs. The Coordinating Board is only an advisory body to the Executive Committee for all other matters. The Coordinating Board has multiple work groups with representation from service providers, culturally specific providers, people with lived experience of homelessness, public health, education, law enforcement, labor, and other stakeholders. Figure 2 illustrates the structure of this organization and its interactions with the respective City and County Council's and joint entity for homelessness.

Figure 2: Governance Structure of Portland/Multnomah County's Joint Office on Homeless Services

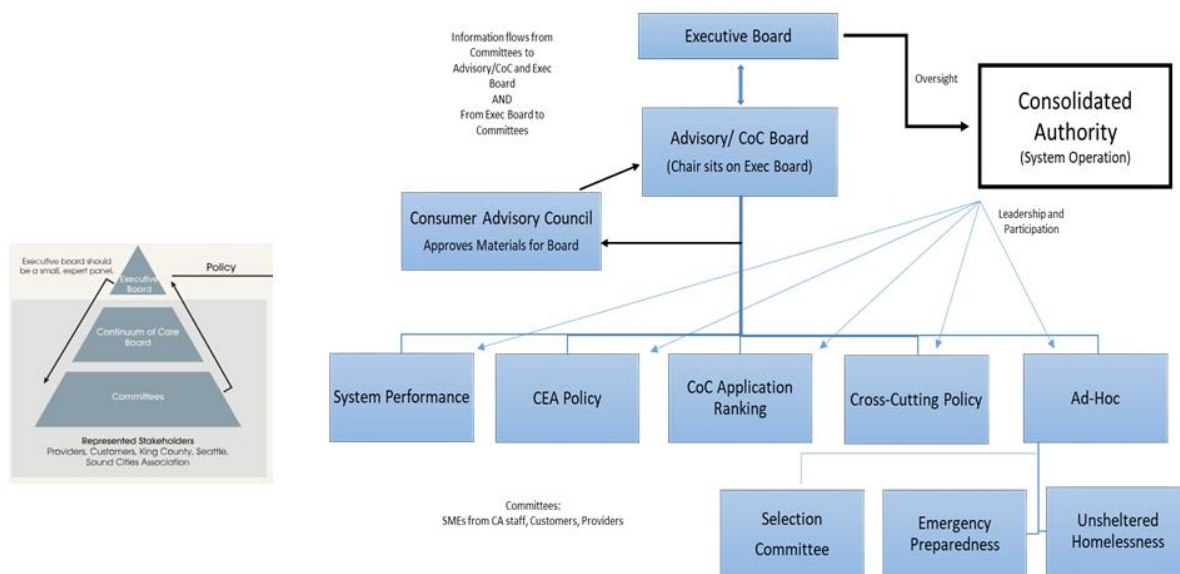


Note. Orange arrows indicate the active, transactional spaces in between entities.

In the Portland/Multnomah County model, the Executive Committee communicates goals to the Coordinating Board. The Coordinating Board, through its workgroups, makes recommendations to the Executive Committee. The Executive Committee then aligns the vision and direction of the Coordinating Board with funding amounts to make funding recommendations to the City and County Councils. Funding recommendations identify interventions for specific populations but do not specify programs or providers. The City and County Councils appropriate funds to the joint entity, which administers all contracts for homeless services, such as releasing funding announcements and selecting recipients.

A chart displaying a similar structure as the Portland/Multnomah County model (Figure 3) was presented to the All Home CoC board in January 2019. In this model, there would not be overlap in membership between the Advisory/CoC Board and the Executive Board except for the Chair of the Advisory/CoC Board. The structure in figure 3 does not display the relationship that the Seattle City Council and King County Council have with the Executive Board and Consolidated Authority, but it is understood that recommendations for funding would still be provided to each Council, which would then appropriate funds to the joint entity.

Figure 3: Governance Structure Presented to the All Home CoC Board



Feedback from Stakeholders

Through regular meetings of workgroups and workshops with specific stakeholders, NIS is gathering input from a variety of stakeholder groups to identify the ideal functions, skills, and characteristics of the governing board that would have jurisdiction over the joint entity in Seattle and King County. Initial findings from those conversations will be presented to the Client Group on May 30.

In addition, on May 6, the Client Group met with a group of service providers and stakeholders to obtain their input. Providers were generally supportive of moving forward with the creation of a single government entity as long as it was done as expediently and easily as possible so that attention could then be turned to the more important questions of how to address homelessness and locate the necessary resources to respond to the problem. They seemed to assess stepping away from this work as politically costly and unnecessary, as long as the goal of the entity was not conflated with the larger issues that must be addressed. They also shared a range of outstanding questions and key insights that they felt should inform the continued work to create a joint entity. Those are captured in a memo to the Client Group summarizing service provider feedback that is attached as Appendix B.

Appendices:

- A. Steering Committee and Work Group Composition
- B. Memo to Client Group: Summary of Service Provider Feedback on Joint Homelessness Entity

cc: Kirstan Arestad, Central Staff Director; Aly Pennucci, Supervising Analyst

Appendix A: Steering Committee and Work Group Composition

Steering Committee

Stakeholder Group	Members
<i>Leads</i>	Shannon Braddock, Tess Colby, Leo Flor, Jason Johnson, Kira Zylstra,
<i>HSI</i>	Tiffany Washington, Karissa Braxton
<i>Seattle Office of Housing</i>	Steve Walker
<i>DCHS</i>	Mark Ellerbrook, Kelly Rider
<i>Public Health Seattle/King County</i>	Patty Hayes (or designee)
<i>All Home Leadership</i>	Danielle Winslow, Felicia Salcedo
<i>County Council Central Staff</i>	Carolyn Busch
<i>City Council Central Staff</i>	Jeff Simms or Traci Ratzliff
<i>Lived Experience Coalition</i>	LaMont Green, Azia Ruff
<i>Sound Cities Association</i>	Christa Valles
<i>U.S. Interagency Council on Homelessness</i>	Katy Miller
<i>Labor Unions</i>	Shaun Van Eyk, Lindsay Grad
<i>Philanthropy</i>	Katie Hong
<i>Business Partners</i>	Dominick Martin, Leslie Smith
<i>Service Providers</i>	<i>To be determined by members of the community.</i>
<i>Equity Advocates</i>	<i>To be determined by members of the community.</i>
<i>CSH</i>	Ann Oliva
<i>NIS</i>	Marc Dones (alternates: Brittani Manzo or Marshall Buxton)

External Affairs Work Group

Organization/Agency	Staff Members (note POC who can identify external staff)
DCHS	Sherry Hamilton, Kelly Rider
All Home	Felicia Salcedo
HSI	Will Lemke, Lily Rehrmann
Office of the Mayor of Seattle	Tess Colby
Office of the County Executive	Shannon Braddock
Service Providers	To be determined by community members.
Equity and Homelessness Advocates and Coalitions	To be determined by community members.
Labor Unions	Lindsey Grad (SEIU 1199)
Pyramid Communications	John Hoyt
Seattle Metro Chamber of Commerce	Dominick Martin
NIS	Marc Dones, Marshall Buxton, Andrew Strong

Community Engagement Work Group

Stakeholder Group	Members
DCHS	Hedda McClendon, Joanna Bomba-Grebb
All Home	Jean-Paul Yafali, Thalia Garcia
HSI	August Drake-Ericson, Karissa Braxton
County Council Central Staff	Carolyn Busch
City Council Central Staff	Jeff Simms or Traci Razliff
Equity and Homelessness Advocates and Coalitions	To be determined by community members.
Service Providers	To be determined by community members.
Labor Unions	
Sound Cities Association	Christa Valles
NIS	Marshall Buxton, Abigail Fradkin

Organizational Stand Up Work Group

Organization	Staff Members
<i>DCHS</i>	Hedda McClendon, Kelly Rider, Mark Ellerbrook, Christina McHugh
<i>All Home</i>	LaMont Green, Danielle Winslow, Jean-Paul Yafali
<i>HSI</i>	Tiffany Washington, Lindsey Garrity
<i>County Council Central Staff</i>	Carolyn Busch
<i>City Council Central Staff</i>	Jeff Simms or Traci Ratzliff
<i>Equity and Homelessness Advocates and Coalitions</i>	<i>To be determined by community members.</i>
<i>Labor</i>	Shaun Van Eyk (PROTEC 17)
<i>NIS</i>	Marc Dones, Abigail Fradkin

Policy and Planning Work Group

Organization	Staff Members
<i>DCHS</i>	Hedda McClendon, Kate Speltz
<i>All Home</i>	Felicia Salcedo, Triina Van, Danielle Winslow, LaMont Green
<i>HSI</i>	Dusty Olson, Ali Peters, Tara Beck, Joy Hunt
<i>USICH</i>	Katy Miller
<i>County Council Central Staff</i>	Carolyn Busch
<i>City Council Central Staff</i>	Jeff Simms or Traci Ratzliff
<i>Equity and Homelessness Advocates and Coalitions</i>	<i>To be determined by community members.</i>
<i>Service Providers</i>	Daniel Malone, Paul Lambros
<i>Suburban Community Policy Managers</i>	Merina Hanson, Colleen Kelly
<i>Raikes Foundation</i>	Katie Hong
<i>CSH</i>	Ann Oliva
<i>NIS</i>	Brittani Manzo, Abigail Fradkin

Appendix B: Memo to Client Group: Summary of Service Provider Feedback on Joint Homelessness Entity

May 9, 2019

MEMORANDUM

To: Councilmembers Sally Bagshaw, Teresa Mosqueda, and Mike O'Brien
From: Jeff Simms and Traci Ratzliff, Central Staff
Subject: Summary of Service Provider Feedback on Joint Homelessness Entity

On Monday, May 6, the Client Group met with a group of service providers and stakeholders, including the Downtown Emergency Services Center, Public Defenders Association, Seattle/King County Coalition on Homelessness, and SEIU 1199, to discuss the process and goal of creating a joint entity on homelessness. The following memo summarizes the input that was provided and the outstanding questions that these providers have.

In summation, providers were generally supportive of moving forward with the creation of a single government entity as long as it was done as expediently and easily as possible so that attention could then be turned to the more important questions of how to address homelessness and locate the necessary resources to respond to the problem. They seemed to assess stepping away from this work as politically costly and unnecessary, as long as the goal of the entity was not conflated with the larger issues that must be addressed.

Key points shared:

In addition to the overall reaction to creating a joint entity, the following input was provided.

1. **Proceed Expeditiously:** Achieving the bureaucratic improvements as a first step toward the larger issue of resources to address the problem is logical but should be done expeditiously without substantially burdening contracted agencies to achieve that improvement.
2. **Issue of Resources:** The more significant concern is sufficient resources to address the scale of need in the community. This concern applies whether or not a new entity is created.
3. **Other Service Systems:** In keeping with the findings of One Table that the criminal justice and child welfare systems feed into and exacerbate homelessness, City clients should insist that people leading reform efforts in those sectors be asked to provide input on the Regional Action Plan (RAP). Public and community-based public health leaders should also be asked for input.
4. **Messaging to Suburbs:** Consideration of how the joint entity is messaged to suburban cities is important. The terms “regional” and “governance” could be problematic and a

potential affront to suburban cities if they perceived themselves as separate from such “regional governance”. It may be better to use “Seattle/King County Homeless Services Agency” or something similarly benign and matched to the actual deliverable. This would accurately present the new entity as an endeavor to administer the homeless system funds of Seattle and King County’s respective jurisdictions.

5. **Contract Management:** The joint entity should adopt King County’s practice of putting only some groups of homeless services contracts out for bid each year rather than putting all homeless services contracts out for bid at the same time.
6. **Performance Penalties:** The current performance incentive system only creates a dynamic where the best case for a contracted agency is that it recoups all its costs, rather than rewarding innovation and exceptional work. Penalties create financial challenges and uncertainty for agencies.
7. **Stakeholders to Include:** Stakeholders that typically foster or undermine an environment for regional civic change should be consulted throughout the development of the RAP . They will be most impacted by plans to address larger issues regarding homelessness, such as new taxes or business practices. Stakeholders engaged should include business, labor (trades and service unions), neighborhood advocates, law enforcement, criminal justice reform advocates, healthcare leaders, and nonprofits delivering homelessness services.
8. **Link to Housing:** It is critical that the new entity collaborate with the Seattle Office of Housing (OH) and have shared vision for how to create and operate permanent supportive housing (PSH), especially with the new entity’s role in providing funds for operations and services. HSD does not fully understand its role in supporting PSH, and alignment with OH needs improvement.

Outstanding Questions

The following questions were raised during and as a result of the conversation as areas the Council needs greater clarity.

1. **Theory of Change:** What is the theory of change motivating the creation of a joint entity? Is the creation of the Regional Entity first intended to address the need for policy/program/outcome alignment and efficiency and then look at strategies to generate additional revenues to support homeless services and housing? Will there be an effort to seek independent taxing authority for this entity at some point? Can we define the thread that connects the Regional Governance and RAP work?
2. **Purpose of Work Groups:** What are the planned work programs and expected deliverables for the four working groups?
3. **Suburban Buy-In:** Do suburban cities support creation of a regional entity and participation in it? What is the strategy to ensure suburban cities support the creation of a joint entity and will participate in that regional entity? In planning for a regional governance entity, are stakeholders at the table considering the relevance of suburban cities buy-in to long-term success of any new entity and a Regional Action Plan?

4. **Input on Regional Action Plan (RAP):** How will CSH collect input from stakeholders in the development of the RAP? Will this be done on the front end, during development, or after completing a draft? Who will be specifically consulted in the development of the RAP? Do we have the “right” problem statement; and is it one that has broad buy-in? Is the current set-up for devising this plan appropriately scaled? Will people with a strong understanding of other service systems (e.g., housing) and connections to homelessness provide input into the RAP?
5. **Retaining Good Practices:** Are King County staff concerned that some of their contracting practices will be difficult to sustain in an integrated entity? Do they feel the joint entity will be able to maintain their strong relationships with other service systems to have an effective, wholistic approach to homelessness? What features should the joint entity have to ensure the ability to engage other service systems in the work to end homelessness?
6. **Funding Responsibility:** Currently, the City makes General Fund investments in homeless services. The County only invests voter-specified levies (e.g., Best Starts for Kids and the Veterans, Human Services, and Seniors Levy), restricted funds (e.g., Mental Illness and Drug Dependency sales tax revenue) and federal pass-through funds in homelessness. How does ceding City General Fund dollars to the new joint entity impact the responsibility of the City and County to support homeless services and how might this impact the balance of power between the City and the County?
7. **Coordination with OH:** How will the new entity coordinate with the OH and housing authorities, especially to ensure operational and service funding for permanent supportive housing?

cc: Kirstan Arestad, Central Staff Director
Aly Pennucci, Supervising Analyst