



# SEATTLE CITY COUNCIL

## Select Budget Committee

### Agenda

Thursday, October 14, 2021

9:30 AM

Session I at 9:30 a.m. & Session II at 2 p.m.

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or  
Seattle Channel online.

Teresa Mosqueda, Chair  
Lisa Herbold, Vice-Chair  
M. Lorena González, Member  
Debora Juarez, Member  
Andrew J. Lewis, Member  
Tammy J. Morales, Member  
Alex Pedersen, Member  
Kshama Sawant, Member  
Dan Strauss, Member

Chair Info: 206-684-8808; [Teresa.Mosqueda@seattle.gov](mailto:Teresa.Mosqueda@seattle.gov)

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# SEATTLE CITY COUNCIL

## Select Budget Committee

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Session I at 9:30 a.m. & Session II at 2 p.m.

#### Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

#### Committee Website:

<http://www.seattle.gov/council/committees/budget>

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This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

*Pursuant to Washington State Governor's Proclamation No. 20-28.15 and Senate Concurrent Resolution 8402, this public meeting will be held remotely. Meeting participation is limited to access by the telephone number provided on the meeting agenda, and the meeting is accessible via telephone and Seattle Channel online.*

**Register online to speak during the Public Comment period at the 9:30 a.m. Select Budget Committee meeting at**

**<http://www.seattle.gov/council/committees/public-comment>.**

**Online registration to speak at the Select Budget Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.**

**Submit written comments to Councilmembers at**

**[council@seattle.gov](mailto:council@seattle.gov)**

**Sign-up to provide Public Comment at the meeting at**

**<http://www.seattle.gov/council/committees/public-comment>**

**Watch live streaming video of the meeting at**

**<http://www.seattle.gov/council/watch-council-live>**

**Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164**

**One Tap Mobile No. US: +12532158782,,5864169164#**

*Please Note: Times listed are estimated*

## Issue Identification

Council Central Staff will present an overview of key changes to City Department operating and capital budgets, and identify issues for possible further examination in the 2022 Proposed Budget.

### **Session I - 9:30 a.m.**

#### **A. Call To Order**

#### **B. Approval of the Agenda**

#### **C. Public Comment**

#### **D. Items of Business**

##### **1. Office of Planning and Community Development (OPCD)**

Supporting  
Documents:

[Presentation](#)  
[Central Staff Memo](#)

##### **Briefing and Discussion**

**Presenters:** Lish Whitson and Aly Pennucci, Council Central Staff

##### **2. Human Services Department (HSD) and Community-Led Investments**

Supporting  
Documents:

[Presentation](#)  
[Central Staff Memo](#)

##### **Briefing and Discussion**

**Presenters:** Amy Gore, Ann Gorman, and Aly Pennucci, Council Central Staff

**Session II - 2:00 p.m.**

**E. Items of Business**

**3. Homelessness Response**

Supporting  
Documents: [Presentation](#)  
[Central Staff Memo](#)

**Briefing and Discussion**

**Presenters:** Jeff Simms, Traci Ratzliff, Brian Goodnight, and Aly Pennucci, Council Central Staff

**F. Adjournment**



## Legislation Text

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**File #:** Inf 1901, **Version:** 1

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Office of Planning and Community Development (OPCD)

# Budget Deliberations & Issue Identification

## Office of Planning and Community Development

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Select Budget Committee | October 14, 2021

Lish Whitson, Analyst



# Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Appropriations by BSL</b>			
Planning and Community Development	7,574	11,324	48%
Design Commission	593	654	10%
Equitable Development Initiative	5,565	19,454	250%
<b>Total Appropriations</b>	<b>13,833</b>	<b>31,432</b>	<b>127%</b>
<b>Total FTEs</b>	<b>42</b>	<b>46.5</b>	<b>11%</b>
<b>Revenues</b>			
General Fund	12,955	9,178	(29%)
Short-Term Rental Tax	285	5,000	1,657%
Payroll Expense Tax	-	16,600	N/A
Reet I Capital Fund	593	654	10%
<b>Total Revenues</b>	<b>13,833</b>	<b>31,432</b>	<b>127%</b>



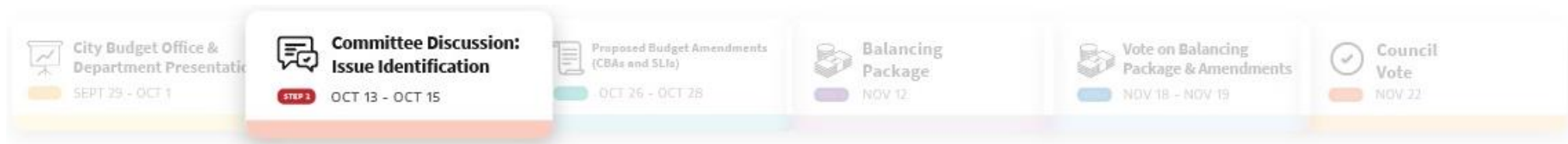
# Issue Identification (1/3)

## 1. Comprehensive Plan Major Update

The Comprehensive Plan update is the City's opportunity to reassess its growth strategy. OPCD's budget may not include sufficient funding to address Council expectations for: outreach and engagement; environmental review of multiple alternatives for future growth; or environmental review of zoning to implement a preferred alternative.

### Options:

- A. Add staff to support this work
- B. Add funding for consultants
- C. No action





# Issue Identification (2/3)

## 2. Regional Growth Centers

The City is required to update its plans for Downtown Seattle, First Hill/Capitol Hill, Northgate, South Lake Union, Uptown, and University District by 2025. OPCD has \$150,000 in the 2022 to support that work.

### Options:

- A. Add staff and funding to support this work
- B. Add funding for consultants
- C. No action



# Issue Identification (3/3)

## 3. Equitable Development Initiative (EDI) and Strategic Investment Fund (SIF)

There is demonstrated demand for City support for projects to mitigate displacement and increase access to opportunity for BIPOC communities.

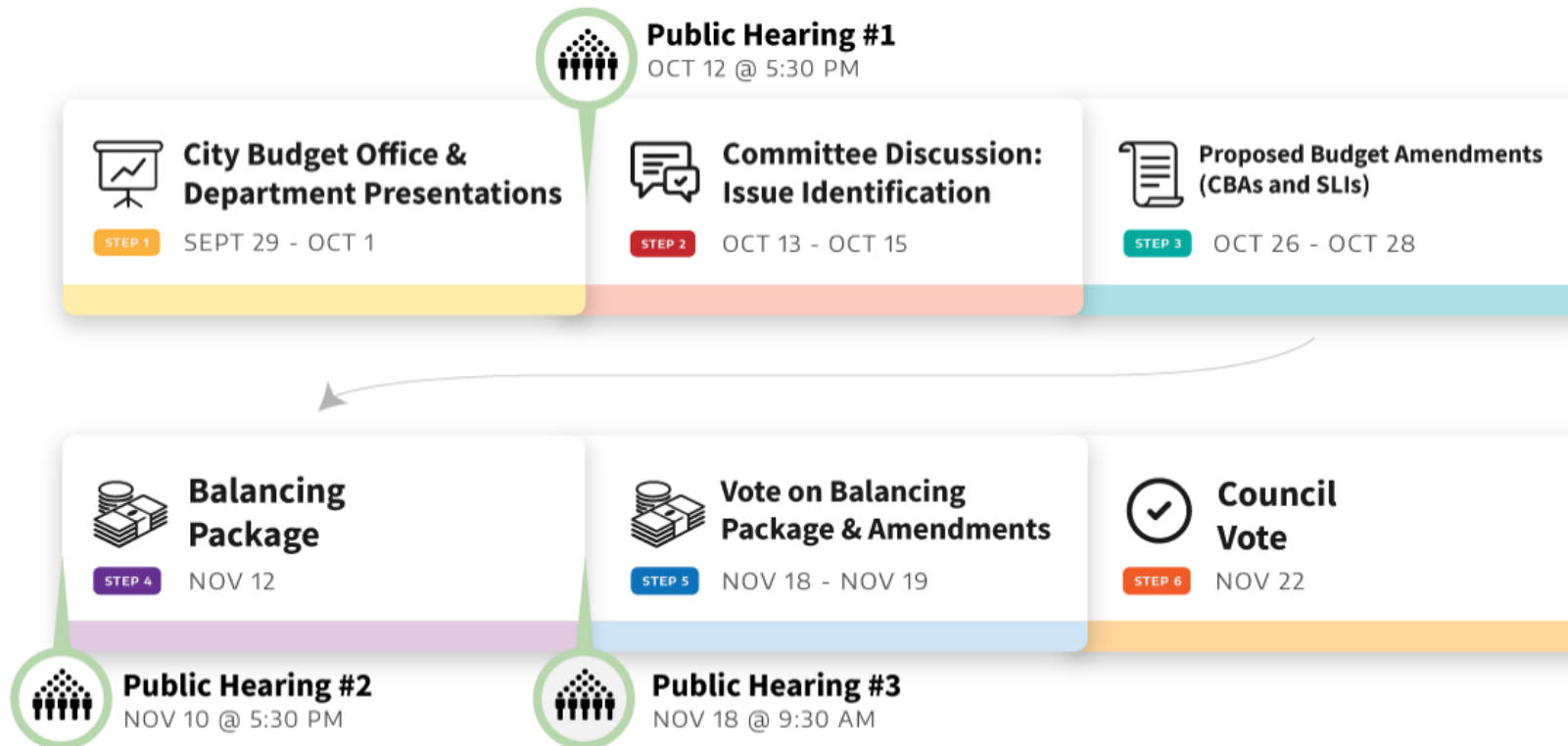
### Options:

- A. Add funding and staff for EDI projects
- B. Add funding and staff for SIF projects not funded in 2021
- C. No action



# Questions?

## Budget Timeline | FALL 2021



## OFFICE OF PLANNING AND COMMUNITY DEVELOPMENT (OPCD)

Staff: Lish Whitson

### Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Appropriations by BSL</b>			
<b>Operating</b>			
Planning and Community Development	7,675	11,324	48%
Design Commission	593	654	10%
Equitable Development Initiative	5,565	19,454	250%
<b>Total Appropriations<sup>1</sup></b>	<b>13,833</b>	<b>31,432</b>	<b>127%</b>
<b>Total FTEs</b>	<b>42</b>	<b>46.5</b>	<b>11%</b>
<b>Revenues</b>			
General Fund	12,955	9,178	(29%)
Short-Term Rental Tax	285	5,000	1,657%
Payroll Expense Tax	-	16,600	N/A
REET I Capital Fund	593	654	10%
<b>Total Revenues</b>	<b>13,833</b>	<b>31,432</b>	<b>127%</b>

<sup>1</sup> Numbers may not add up due to rounding.

### I. Background

The Office of Planning and Community Development (OPCD) oversees citywide and neighborhood-level planning, and supports community-led development. The Department has five divisions: Equitable Development, Long-Range Planning, Community Planning, Land Use Policy and Urban Design. It also staffs the Seattle [Design](#) and [Planning](#) commissions. Finance and administration and communications staff report to the Director. Under the Mayor’s proposal, OPCD’s budget would increase by 4.5 FTEs to 46.5 FTE and \$17.6 million to \$31.4 million. Growth is predominantly in funding and staff support for EDI projects.

The **Equitable Development** division is responsible for the [Equitable Development Initiative](#) (EDI), which supports community-based organizations’ projects to mitigate displacement and increase access to opportunity for Black, Indigenous, and people of color (BIPOC) communities. Support is provided through both grants and technical assistance. In the 2022 Proposed Budget, there would be \$19.5 million available for community grants and 9.5 FTE in the EDI division. This represents a 250 percent increase over the EDI funding budgeted for 2021. The 2022 Proposed Budget also includes three new positions to support EDI projects, two Planning and Development Seniors in the Equitable Development division and one Grants and Contract Specialist in the Finance and Administration division. The [Strategic Investment Fund](#), a one-time \$30 million fund to support property acquisition for similar projects, was budgeted in Finance General in the 2021 Adopted

Budget. In September It was allocated to OPCD and the Office of Arts and Culture, and EDI staff will oversee most of the SIF-funded grants. The SIF is not funded in the 2022 Proposed Budget, however EDI funding can be used for the types of projects funded by the SIF.

The **Community Planning** division continues to work with Sound Transit and the Seattle Department of Transportation on planning for areas around future light rail station areas, including at [130th and I-5](#) and at stations along the [Ballard to West Seattle](#) light rail extension. Other community planning projects underway include completing [Crown Hill](#) planning, continuing to work with the Westwood-Highland Park community, and potentially starting a planning effort in Aurora-Licton Springs. OPCD will receive \$2.5 million (\$2.3M of Payroll Expense Tax revenues and \$200k of GF) to implement recommendations of the [Duwamish Valley Program](#). Three positions would be added to the division in 2022: a Strategic Advisor 1 Indigenous planner; a Strategic Advisor 1 to serve as project manager for the Duwamish Valley Program; and a Planning and Development Specialist II position, which replaces a vacant Strategic Advisor 1 position, to support the work of the division.

The **Land Use Policy** division is working on implementation of the recommendations of the [Industrial and Maritime Strategy](#), with an Environmental Impact Statement (EIS) scheduled to be released in 2022. The division continues to work on policies to support housing, from [Backyard Cottages](#) to equitable zoning strategies. A Planning and Development Specialist II position would replace a vacant Strategic Advisor 2 position to support the work of the division.

The **Urban Design** division continues to support major projects around the city, including design for the [Mt. Baker Station Area](#). The division also continues working on neighborhood design guidelines, with completion of Crown Hill design guidelines anticipated in 2022.

The **Long-Range Planning** division is working on a major update to the [City's Comprehensive Plan](#). Outreach and engagement will ramp up in 2022 along with scoping for an EIS that will analyze a range of alternatives for accommodating anticipated growth over the next 20 years. Work will begin on a multi-year project to update plans for the City's six [regional growth centers](#) in response to regional planning requirements. A full-time Planning and Development Specialist II position would replace a vacant 0.5 FTE Planning & Development Specialist II position.

OPCD's work occurs in the context of significant and inequitable growth. According to the U.S. Census, Seattle was the third fastest growing large city in the United States between 2010 and 2020, growing by 128,000 residents from 609,000 to 737,000, a 21 percent increase. In that period, the number of housing units grew by 59,800 units from 308,500 to 368,300, a 19 percent increase.<sup>1</sup> [Covered employment](#) in Seattle increased from 463,000 in 2010 to 638,000 in 2021, a 38 percent increase over the decade. During this period, Seattle households grew significantly wealthier. Median income of households in Seattle grew from \$60,000 a year in 2010 to \$102,000 in 2019, a 70 percent increase.<sup>2</sup>

This growth was not equitably distributed. Black and Indigenous households have been displaced from the city in favor of higher income households and will have challenges returning to the city absent changes in government policy. In September 2020, OPCD published its first [Equitable Development Community Indicators Report](#).<sup>3</sup> Among the key findings of the report are:

- About one third of Seattle's households of color own their home compared to roughly half of the city's white households.
- In Seattle, roughly half of Native American, Black, and Pacific Islander households are housing cost burdened, meaning they spend more than 30 percent of their income on housing. In comparison, roughly one-third of white households are cost burdened.
- There is a shortage of rental housing affordable and available at all low-income levels including 30% of Area Median Income (AMI), 50% of AMI, and 80% of AMI.
- The shortage is especially severe for households with extremely low incomes: there are only 32 rental units affordable and available at 30% of AMI for every 100 renter households with incomes at or below 30% of AMI.
- The city's slim supply of multi-bedroom rentals disproportionately impacts households of color, including immigrant and refugee households, who tend to be larger than white households.
- Several neighborhoods including the Central Area, have a relatively low share of affordable units, making it increasingly hard for historical communities to remain. Market-rate units that are still affordable in these and other neighborhoods are at risk, threatening further displacement due to market and economic pressures.
- Black people have the longest average commute time to work while whites have the shortest.

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<sup>1</sup> Vacancies decreased over this period from 25,000 vacant units to 22,700 vacant units. As a result, the number of occupied units increased from 283,500 to 345,600, a 22 percent increase. The Group Quarters population, which does not reside in housing units, increased from 24,925 to 29,918, a 20 percent increase.

<sup>2</sup> Data from the U.S. Census Bureau's American Community Survey. For comparison, median incomes in the United States grew from \$50,000 to \$66,000 over this period, a 32 percent increase.

<sup>3</sup> The Equitable Development Community Indicators Report is one of a number of reports that OPCD and the Planning Commission have released over the last three years that will support the Comprehensive Plan update, including: Seattle Planning Commission's [letter](#) on recommendations for overarching themes for the next major update to the Comprehensive Plan, [Evolving Seattle's Growth Strategy](#) and [Neighborhoods for All](#); PolicyLink and OPCD's [Comprehensive Plan Racial Equity Analysis](#); and OPCD's [Urban Village Indicators Monitoring Report](#), and [Public Engagement Report](#).

## II. Issue Identification

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### 1. Comprehensive Plan Major Update

Seattle is required under the [Growth Management Act](#) to update its Comprehensive Plan by June 2024. A core requirement of the update is to ensure that the city can accommodate anticipated growth. The [King County Countywide Planning Policies](#) (CPPs) were recently updated with new growth estimates for the period between 2019 and 2044. Seattle must plan for an additional 112,000 housing units and 169,500 jobs over that 25-year period. This represents a slower growth rate than the city experienced in the 2010s, but will require the city to add 4,500 units a year and 6,800 jobs a year on average. The City currently has [capacity](#) for 172,440 housing units and 245,598 jobs.

The 25-year growth targets under the CPPs represent 76 percent of Seattle's capacity for new housing units and 71 percent of the city's capacity to accommodate new jobs. While the city may be able to accommodate its planned growth under current zoning, doing so will come with costs. Growth will continue to exacerbate the racial and economic inequities that were raised in the Equitable Development Indicators Report.

The Comprehensive Plan update provides an opportunity for public discussions regarding whether and how the city wants to change its approach to growth to address these issues. The update also provides an opportunity to consider citywide changes to zoning if the preferred alternative would necessitate zoning changes. It will provide information about the impacts of growth on issues of importance to the Council, including housing affordability, displacement, transportation, and trees. It will require robust public outreach and engagement, particularly targeted at BIPOC communities who have the most to lose from displacement.

The 2022 Proposed Budget includes a total of \$575,000 over three years to complete the update to the Comprehensive Plan. Of the total, \$150,000 would be used for outreach and engagement, with \$100,000 already allocated in the 2021 Adopted Budget and \$50,000 in the 2022 Proposed Budget. OPCD has hired a temporary outreach and engagement specialist for six months to help them build and implement their [Community Engagement Plan](#). The update will require an EIS that will analyze the potential impacts of a range of approaches to accommodating growth. The EIS would receive \$425,000 for consultant assistance. Of those dollars, \$30,000 were allocated in the 2021 Adopted Budget, \$300,000 are in the 2022 Proposed Budget, and \$95,000 are anticipated in 2023. OPCD plans to contract with a consultant to undertake that work.<sup>4</sup> In addition, there are 3.5 staff allocated in the 2022 OPCD work plan to work on the Comprehensive Plan update.

The State Environmental Policy Act (SEPA) was amended recently to [allow](#) analysis of zoning changes that implement the City's growth strategy alongside analysis of changes to the Comprehensive Plan. Consequently, the EIS for the update presents a unique opportunity to

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<sup>4</sup> The consultant contract for the EIS for the previous update to the Comprehensive Plan was \$437,000. The initial contract for this work was for \$300,000. Three amendments due to increases to the scope of work brought the final contract up to \$437,080 by the last amendment in 2016. This is close to \$500,000 in 2021 dollars.

analyze the impacts of a range of growth alternatives that will shape the city over the coming decades and at the same time analyze zoning changes to implement the preferred alternative.

After the last Comprehensive Plan update, which required an EIS, the City spent three years and \$750,000 on a second EIS to analyze the Mandatory Housing Affordability proposal, which implemented policies adopted in the Comprehensive Plan update. An additional year and consultant resources were required due to appeals of the EIS's review of historic resources analysis. Additional resources spent in 2022 on the Comprehensive Plan EIS and historic preservation analysis<sup>5</sup> may be able to save both time and money, and make best use of community time and energy around planning.

The Executive suggests that increasing funding for the EIS should wait until the scope for the EIS is set. The EIS scope will be determined after a public outreach process, which is planned to start before the end of the year and extend into 2022.

**Options:**

- A. Add staff to support this work, including outreach and engagement support.
- B. Increase funding for consultant work on the EIS and for historic survey work in the Department of Neighborhoods.
- C. No Action

## **2. Regional Growth Centers Planning**

Seattle's six urban centers (Downtown Seattle<sup>6</sup>, First Hill/Capitol Hill, South Lake Union, Northgate, the University Community, and Uptown) are designated as "regional growth centers" under [Vision 2050](#), the region's plan for growth. According to OPCD's [Comprehensive Plan monitoring website](#), over 50 percent of housing growth in the city in the past five years and 75 percent of recent job growth has occurred in these six centers. Under the State's Growth Management Act, the City's plan is required to be consistent with Vision 2050. The City currently has plans and targets for growth for each center that respect their importance as places for significant growth of jobs and housing.

Vision 2050 [requires updates](#) to those plans by 2025. Updated plans will need to include expanded policies and programs related to:

- Regional collaboration and visions for centers;
- Environment and climate change;
- Land use and development plans;

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<sup>5</sup> The City's historic resource [surveys](#) are particularly weak in areas in Southeast, West and North Seattle with a high risk of displacement. For example, there are only 10 potential historic resources listed in the "North District," the large area north of NE 95th Street and east of 15th Avenue NE. The Department of Neighborhoods indicates that at least \$125,000 would be needed to update its survey of historic resources.

<sup>6</sup> The Downtown Seattle Urban Center includes the Belltown, Chinatown/International District, Commercial Core, Denny Triangle and Pioneer Square subareas.



- Housing;
- Economy;
- Transportation;
- Public services; and
- Racial equity.

OPCD's proposed workplan dedicates one FTE and their 2022 Proposed Budget adds \$150,000 GF for consultant services to begin this work in 2022. Planning will require outreach and engagement with the affected centers, as well as data analysis, environmental review and policy development targeted at each center's particular circumstances, needs and goals.

**Options:**

- A. Add funding and positions in OPCD to undertake this work over the next three years.
- B. Increase consultant funding to do this work.
- C. No Action

**3. Equitable Development Initiative and Strategic Investment Fund**

The Equitable Development Initiative received 78 applications totaling over \$50 million and was able to fund 21 projects totaling \$9.8 million in 2021. Projects accepted into the EDI program may receive funding, technical assistance, or both. The Strategic Investment Fund received over 100 applications totaling over \$500 million and was able to fund 13 projects totaling \$30 million in 2021. Demand and interest in this funding has far exceeded the City's ability to make grants. Given current workloads, increased funding should be accompanied by resources for additional staff who would provide technical assistance and support the grants. In addition to staff in OPCD who would manage these projects, the increasing volume of EDI contracts and transactions may soon necessitate additional staff in the Law Department.

**Options:**

- A. Add funding and staff to increase the EDI in 2022, allowing the EDI Advisory Board and staff to identify most equitable approach to allocating funding.
- B. Add funding and staff targeted at SIF projects that were not funded in 2021. The EDI Advisory Board and staff would need to identify the most equitable approach to allocating these funds.
- C. No Action



## Legislation Text

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**File #:** Inf 1906, **Version:** 1

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Human Services Department (HSD) and Community-Led Investments

# Budget Deliberations & Issue Identification

# **HUMAN SERVICES DEPARTMENT & COMMUNITY-LED INVESTMENTS**

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Select Budget Committee | October 15, 2021

Amy Gore, Analyst



# Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Human Services Department Appropriations by BSL</b>			
Supporting Affordability & Livability (HSD-BO-HS-H1000)	\$29,284	\$29,831	1.9%
Preparing Youth for Success (HSD-BO-HS-H2000)	\$14,662	\$13,730	(6.4%)
Addressing Homelessness (HSD-BO-HS-H3000)	\$148,471	\$114,854	(22.6%)
Supporting Safe Communities (HSD-BO-HS-H4000)	\$32,151	\$40,963	27.4%
Leadership and Administration (HSD-BO-HS-H5000)	\$12,829	\$14,361	11.9%
Promoting Healthy Aging (HSD-BO-HS-H6000)	\$50,545	\$56,990	12.8%
Promoting Public Health (HSD-BO-HS-H7000)	\$13,534	\$16,096	18.9%
<b>Total Appropriations</b>	<b>\$301,475</b>	<b>\$286,826</b>	<b>(4.9%)</b>
<b>Total FTEs</b>	<b>399</b>	<b>389</b>	<b>(2.4%)</b>
<b>Human Services Department Revenues</b>			
General Fund	\$174,951	\$171,269	(2.1%)
Other Sources	\$126,525	\$115,558	(8.7%)
<b>Total Revenues</b>	<b>\$301,475</b>	<b>\$286,826</b>	<b>(4.9%)</b>

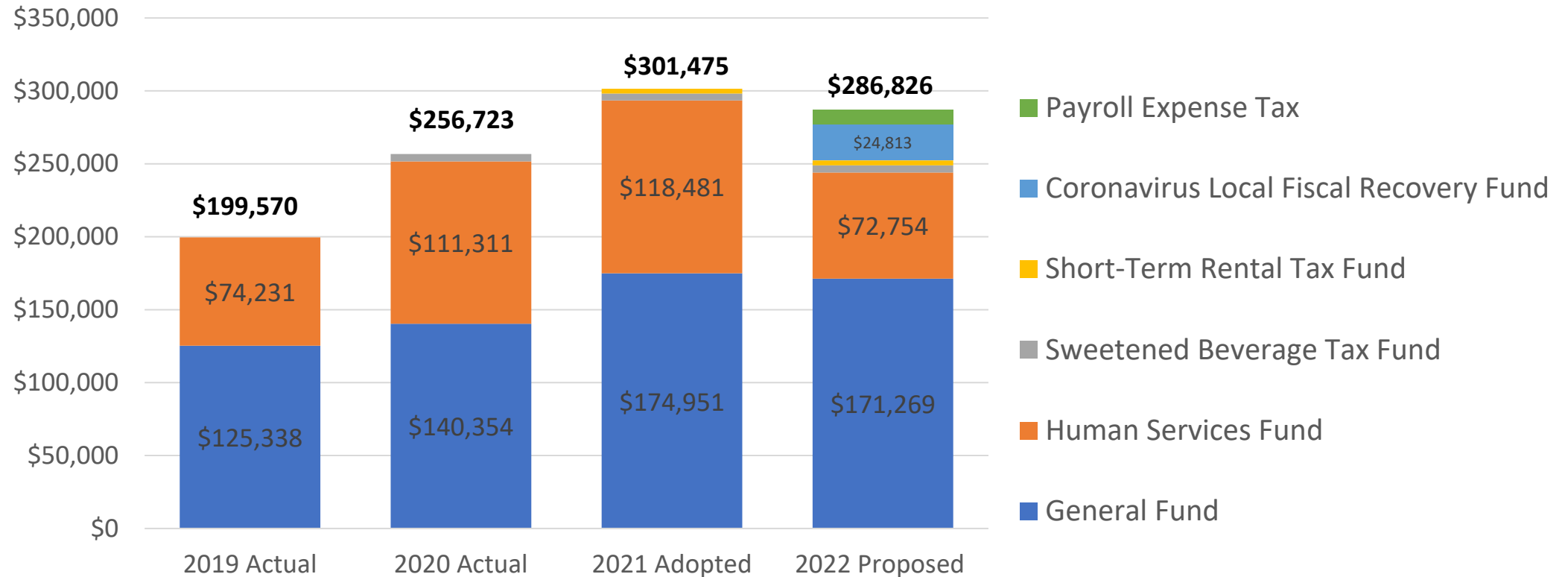


# Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Community-Led Investments Appropriations</b>			
Participatory Budgeting	\$28,300	\$30,000	6.0%
Equitable Communities Initiative	\$29,900	\$30,000	0.3%
<b>Total Appropriations</b>	<b>\$58,200</b>	<b>\$60,000</b>	<b>3.1%</b>
<b>Total FTEs</b>	<b>0</b>	<b>11.5</b>	



# HSD Revenues (\$ in 000s)



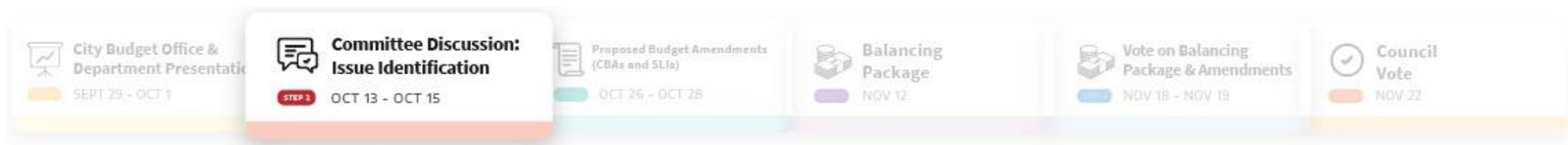
# Issue Identification (1/3)

## 1. Food Access

In 2020 and 2021, food programs were expanded with one-time COVID funding. The proposed budget includes \$2.5 million in "ramp down funding", which provides a bridge between the higher pandemic funding with the lower baseline budget, so that organizations can transition back from the higher funding levels.

### Options:

- A. Increase one-time funding to minimize service reductions in 2022.
- B. Provide on-going funding to sustain increased investments in Food Programs. To fully restore funding to 2021 levels would require an additional \$8.0 million.
- C. No action.



# Issue Identification (2/3)

## 2. Participatory Budgeting

There is currently \$27.2 million in Finance General Reserve to be used for PB, expected to be spent in 2022. The 2022 Proposed Budget includes new, on-going funding of \$30 million per year for PB, supported by the GF. With the addition of the on-going funding, a total of \$57.2 million is available for PB in 2022, which would drop again to \$30 million in 2023.

### Options:

- A. Change the proposed add for PB from on-going to one-time funding and state Council's intent to identify an ongoing revenue source to support these investments in 2023 and beyond.
- B. Cut some or all of the proposed \$30 million GF for in 2022, recognizing that much of the 2021 appropriations for PB will carryforward into 2022, redirecting funds for other one-time Council-identified priorities, and reducing the impact of drastic funding reduction in Year 2 (2023) of the PB program.
- C. No action.





# Issue Identification (3/3)

## 3. Equitable Communities Initiative

The 2022 Proposed Budget establishes \$30 million in on-going funds for the ECI projects but does not identify a new revenue source for this investment. These funds are in addition to the \$30 million in project funding adopted by Council in September of this year which are anticipated to mostly be expended during 2022.

### Options:

- A. Change the appropriations to one-time and engage the ECI Task Force to identify an ongoing progressive revenue source.
- B. Reduce some or all of the proposed appropriations in 2022, recognizing that much of the 2021 appropriations for the ECI recommendations will carryforward into 2022, and engage the ECI Task Force to identify an ongoing progressive revenue source to support these investments ongoing in 2023 and beyond.
- C. No action.



# Budget Legislation (1/4)

## 1. CBO 2021 Year-End Grant Acceptance ORD

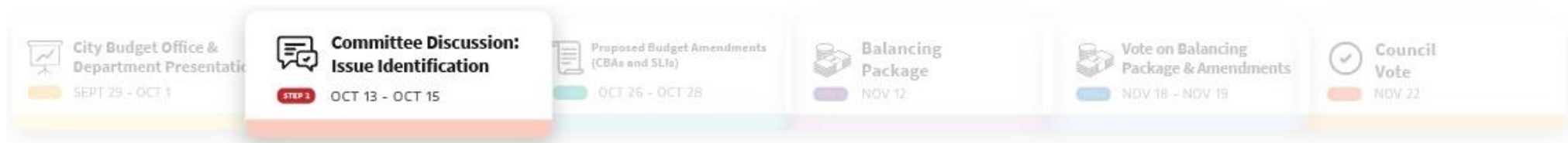
- \$291,422 from the Consolidated Appropriations Act Grant Expanding Access to COVID Vaccines for supporting access to COVID-19 vaccines for Older Adults in King County;
- \$104,955 from the Coronavirus Response and Relief Supplemental Appropriations Act Vaccine Response Funding for providing education on COVID-19 and assistance with accessing COVID-19 vaccines for older adults and people with disabilities in King County; and
- \$1,960,000 from the Washington Department of Commerce for capital costs related to Tiny Home Villages.



# Budget Legislation (2/4)

## 2. CBO 2021 Year-End Supplemental Budget ORD

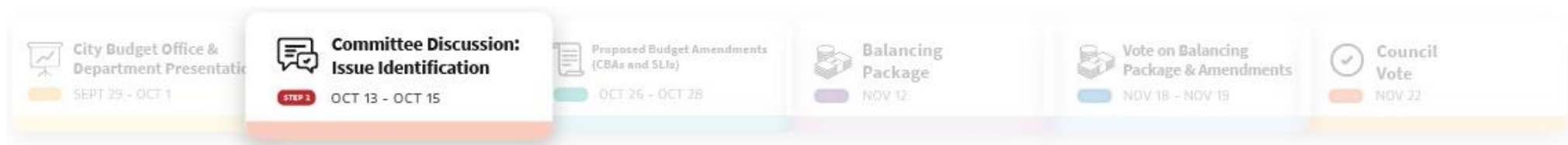
- Transfer \$8,000,000 for rental assistance from HSD to OH;
- Reduce Addressing Homelessness BSL by \$2,297,433 due to erroneous carryforward;
- Increase of \$384,000 for the language premium stipend;
- Increase of \$291,422 for supporting access to COVID-19 vaccines for Older Adults in King County;
- Increase of \$104,955 for providing education on COVID-19 and assistance with accessing COVID-19 vaccines for older adults and people with disabilities in King County;



# Budget Legislation (3/4)

## 2. CBO 2021 Year-End Supplemental Budget ORD (Cnt'd)

- Increase of \$1,960,000 for capital costs related to Tiny Home Villages (THVs);
- Transfer \$4,188,437 of community safety programs (Re-Entry for Indigenous Peoples and Seattle Safe Communities Initiative) from Youth and Family Empowerment Division to Safe and Thriving Communities Division;
- Transfer \$400,000 of appropriation authority for tiny house villages from the Human Services Fund to the Coronavirus Local Fiscal Recovery Fund; and
- Create 1.0 FTE to support service contracts identified by the Equitable Communities Initiative.



# Budget Legislation (4/4)

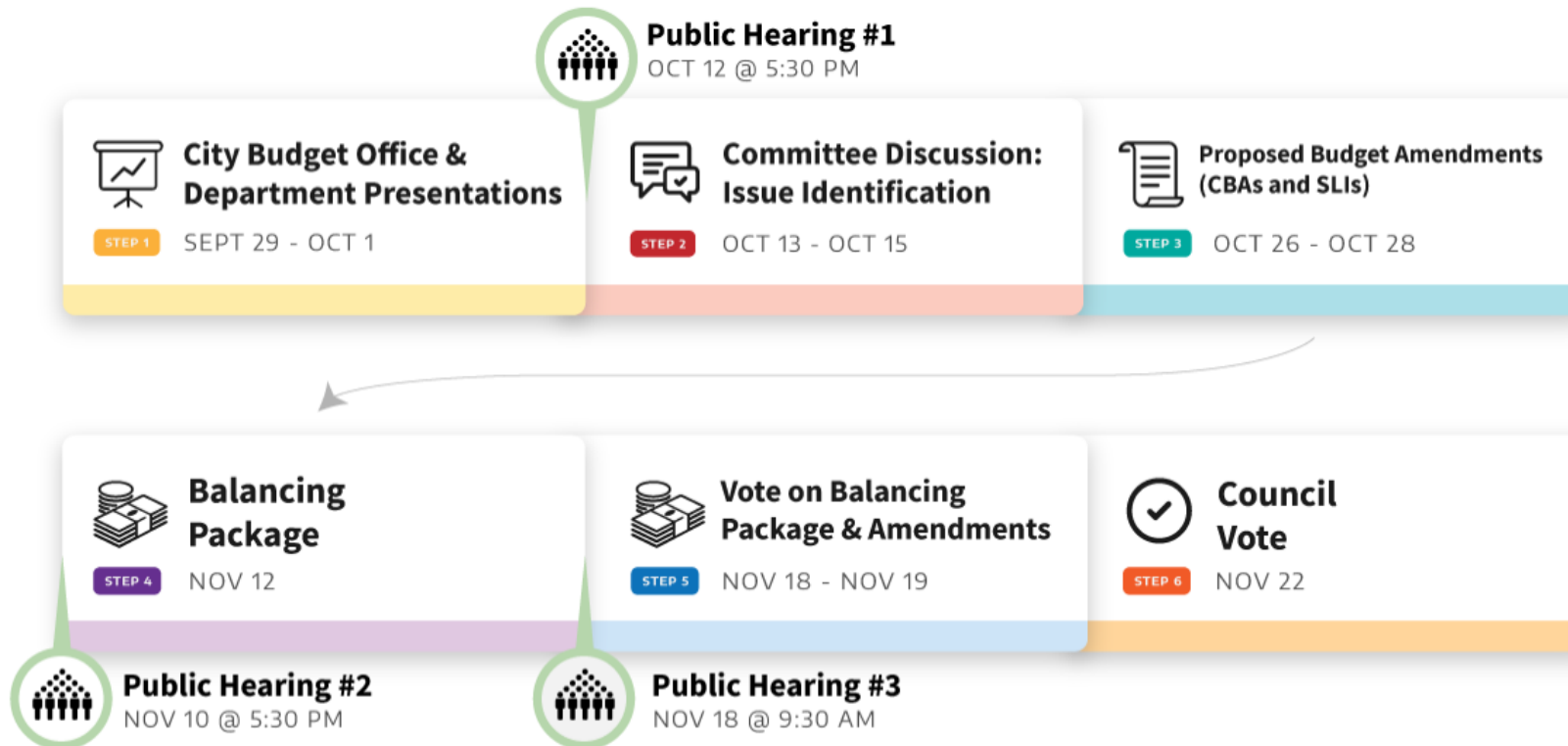
## 3. CBO 2022 Recurring Grant Acceptance ORD

- \$7,703,533 from Older Americans Act and Nutrition Services Incentive Program for services for older adults;
- \$5,794,407 from Community Development Block Grants for affordable housing, anti-poverty programs, and infrastructure development;
- \$3,150,304 from Housing for Persons Living with AIDS (HOPWA) for housing needs for individuals with HIV/AIDS;
- \$2,330,788 from the Rental Assistance Housing Levy for homelessness prevention;
- \$805,090 from Emergency Services Grant for homelessness services;
- \$500,000 from Title XIX for healthcare programs for people with low incomes; and
- \$300,000 for the Medicaid Transformation Demonstration Project.



# Questions?

## Budget Timeline | FALL 2021



## HUMAN SERVICES DEPARTMENT AND COMMUNITY LED INVESTMENTS

Staff: Amy Gore and Tom Mikesell

### Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Human Services Department Appropriations</b>			
Supporting Affordability & Livability (HSD-BO-HS-H1000)	\$29,284	\$29,831	1.9%
Preparing Youth for Success (HSD-BO-HS-H2000)	\$14,662	\$13,730	(6.4%)
Addressing Homelessness (HSD-BO-HS-H3000)	\$148,471	\$114,854	(22.6%) <sup>1</sup>
Supporting Safe Communities (HSD-BO-HS-H4000)	\$32,151	\$40,963	27.4%
Leadership and Administration (HSD-BO-HS-H5000)	\$12,829	\$14,361	11.9%
Promoting Healthy Aging (HSD-BO-HS-H6000)	\$50,545	\$56,990	12.8%
Promoting Public Health (HSD-BO-HS-H7000)	\$13,534	\$16,096	18.9%
<b>Total Appropriations<sup>2</sup></b>	<b>\$301,475</b>	<b>\$286,826</b>	<b>(4.9%)<sup>1</sup></b>
<b>Total FTEs</b>	<b>399</b>	<b>389</b>	<b>(2.4%)</b>
<b>Human Services Department Revenue</b>			
General Fund (00100)	\$174,951	\$171,269	-2.1%
Human Services Fund (16200)	\$118,481	\$72,754	(38.6%)
Sweetened Beverage Tax Fund (00155)	\$4,743	\$4,897	3.2%
Short-Term Rental Tax Fund (12200)	\$3,300	\$3,380	2.4%
Coronavirus Local Fiscal Recovery Fund (14000)	\$0	\$24,813	
Payroll Expense Tax (14500)	\$0	\$9,714	
<b>Total Revenue<sup>2</sup></b>	<b>\$301,475</b>	<b>\$286,826</b>	<b>(4.9%)</b>
<b>Community Led Investments Appropriations</b>			
Equitable Communities Initiative	\$30,000	\$30,000	0.0%
Participatory Budgeting	\$28,300	\$30,000	6.0%
<b>Total Appropriations<sup>2</sup></b>	<b>\$58,300</b>	<b>\$60,000</b>	<b>2.9%</b>

<sup>1</sup> Includes a \$17M transfer to the King County Regional Homelessness Authority, which will not result in a reduction in service delivery as well as the transfer of LEAD and the Mobile Crisis Teams from Addressing Homelessness to other BSLs.

<sup>2</sup> Numbers may not add up due to rounding.

The following paper discusses the Human Services Department (HSD) and Community-Led Investments such as Participatory Budgeting (PB) and the Equitable Communities Initiative (ECI). For more information on homeless services, see the Homelessness Issue Identification memo presented to the Budget Committee on October 14, 2021. For more information on public safety response programs, see Alternatives to Police Response Issue ID paper presented to the Budget Committee on October 15, 2021.

## **I. Background**

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### **Human Services Department**

The Human Services Department (HSD) funds and operates programs and services to meet the basic needs of all people, particularly people experiencing homelessness, children and youth, survivors of domestic violence, families and individuals with low incomes, persons with disabilities, and seniors. HSD's service delivery model relies on contracts with over 170 community organizations to provide services to the people of Seattle. The department is currently divided into five divisions:

1. Homeless Strategy and Investment (HSI) – The majority of the funding for the City's response to homelessness is managed through the HSI division, including contracts for shelters, tiny home villages, day and hygiene centers, and operations of permanent supportive housing (PSH) facilities. In 2022, many of these activities and their funding will transfer to the King County Regional Homelessness Authority. Please see the Homelessness Response Issue Identification Paper that will be presented to the Select Budget Committee on October 14 for more on this topic.
2. Aging and Disability Services (ADS) – This division is designated by the state and federal governments as the Area Agency on Aging for both Seattle and King County. The division manages programs that serve older people, family caregivers, and individuals with disabilities, including case management for clients who receive in-home care, nutrition services, caregiver support, senior centers, information and referrals to a network of support.
3. Youth and Family Empowerment (YFE) – This division manages HSD's investments in programs for youth, low-income families and public health. Programs include youth development and mentoring, family resource centers, mental health counseling, food banks and nutrition programs. Funding for public health services is managed through a single contract with Public Health – Seattle and King County (PHSKC). PHSKC is housed within King County while a limited number of staff at HSD manage the contract.
4. Safe and Thriving Communities (STC) – Created in 2021, the Safe and Thriving Communities Division manages the department's growing investments in community safety programs, such as youth outreach and case management, re-entry services, community crime prevention and organizational capacity building. The Division also includes the Mayor's Office on Domestic Violence and Sexual Assault (MODVSA), which leads the City's response to gender-based violence and funds programs to support survivors of domestic violence and sexual assault, including shelters, prevention and intervention programs, and mobile flexible advocacy programs.
5. Leadership and Administration (LAD) – This division provides support to the other divisions through executive, community, financial, human resource, technology, and business support.



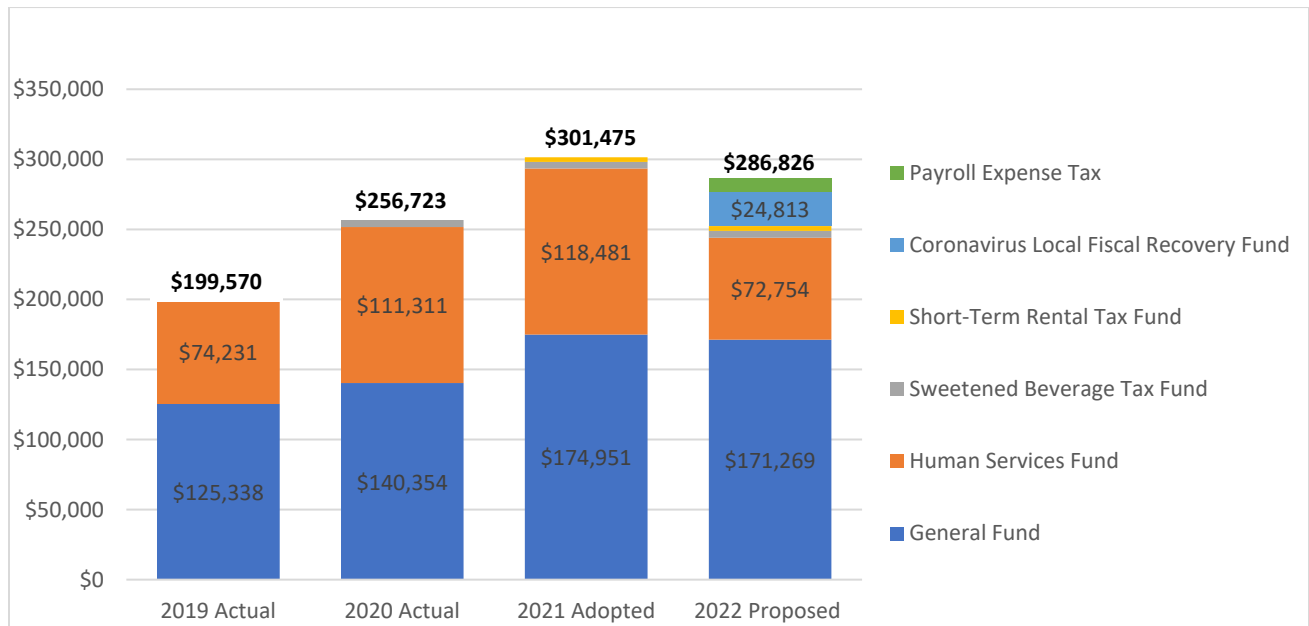
## HSD 2022 Proposed Budget Overview

### Department Budget Revenue

The 2022 Proposed Budget for HSD is \$286.8 million, a decrease of \$14.6 million (-4.9 percent) from the 2021 Adopted Budget. In the 2022 Proposed Budget, HSD is funded through a combination of sources:

- General Fund Revenues – \$171.3 million in GF revenues, a decrease of \$3.7 million (-2.1 percent) from 2021.
- Federal, State and Other Grants (Human Services Fund) – \$72.8 million in outside grant funding, a decrease of \$34.7 million (42 percent) from 2021. This reduction is primarily due to:
  - Decrease in one-time COVID funding – In both 2020 and 2021, the HSD budget was funded with significant amounts of one-time resources for COVID response. In 2021, this included COVID Emergency Services Grant (ESG) (\$23.5 million) and CARES Act Community Development Block Grant (CDBG) funding (\$31.6 million). In 2022, the budget includes \$24.8 million of Coronavirus Local Fiscal Recovery (CLFR) Fund dollars, however it still represents an overall reduction as new federal funding for COVID relief efforts decrease.
  - Transfer of funding to King County – \$17.0 million to reflect that the McKinney Grant for homelessness will flow directly to the King County Regional Homelessness Authority.
- Sweetened Beverage Tax (SBT) Revenues – \$4.9 million in SBT revenues, an increase of 3.2 percent from 2021.
- Short-Term Rental Tax (STRT) Revenues – \$3.4 million in STRT revenues, an increase of 2.4 percent from 2021.
- Coronavirus Local Fiscal Recovery Funds – \$24.8 million of Coronavirus Local Fiscal Recovery Funds (CLFR), representing 8.6 percent of the department's budget in 2022.
- Payroll Expense Tax Revenues – \$9.7 million of payroll expense tax revenues.

## 2022 Proposed Budget HSD Revenue (\$ in 000s)



### HSD Spending

There are several notable changes in the 2022 Proposed Budget impacting the HSD Budget:

1. Movement of programs from the Homeless Strategy and Investment Division – As part of the establishment of the King County Regional Homelessness Authority, some programs have been transferred from the Homeless Strategy and Investment Division to other HSD divisions. For example, the LEAD program (\$6.4 million GF) is moved to Safe and Thriving Communities and funding for Mobile Crisis Team (\$1.0 million GF) is moved to the Youth and Family Empowerment Division (Promoting Health).
2. Domestic Violence/Sexual Assault (DV/SA) Programs – 2.0 FTEs would be added for Victim Advocates, who would provide services for survivors of Gender-based violence, bringing the total number of advocates to 14. The proposed budget adds \$224,000 GF for DV/SA services for organizations that serve the American Indian and Alaska Native (AI/AN) community and \$875,000 GF for DV/SA services to replace declining revenues from the Sex Industry Victims Fund. This funding will allow the department to maintain current levels of service and does not represent an expansion of the program.
3. Community Safety Investments – There are several additions proposed to expand HSD's community safety investments. It includes \$1,575,000 GF for re-entry services, including \$75,000 for re-entry services specializing in AI/AN populations. The budget provides \$10.0 million ongoing GF funding to continue the work begun as part of the Community Safety Capacity Building RFP and \$1.5 million GF for the Regional Peacekeepers program through Seattle King County Public Health. In addition, the budget includes \$403,030 one-time payroll expense tax funding for the continuation of the OneCall Pilot Program, which

provides support for the Seattle Police Department (SPD) and the Seattle Fire Department (SFD) when dealing with a person experiencing behavioral health issues. (See Alternatives to Police Response and Criminal Legal System Issue ID for more on this topic.)

4. **Removal of One-Time Funding** – The removal of funding includes reductions to relatively small programs and services which were included in the 2021 Adopted Budget as one-time expenditures, including \$33,000 GF for programs supporting Native and Indigenous children and families, \$1.12 million GF for drug user health services, and \$200,000 GF for harm reduction programs. It also includes the removal of significant investments (\$33M) of one-time COVID response funding from ESG and the City’s Joint COVID-Relief investments that relied on use of the City’s emergency reserves.
5. **Transfer of funding for HealthOne** – The HealthOne program includes staffing and funding from both SFD and HSD. Funding for case management and care coordination would be transferred to HSD where the position pockets are located. (\$587,837 GF).
6. **Provider Contract Inflation** – Adds \$4.6 million to allow for inflationary increases of 2.4% to partner organization contracts. The inflationary increase is primarily supported by General Fund revenue, but also includes \$151,952 of SBT revenue and \$79,210 of STRT revenue. Pursuant to the requirements of [ORD 125865](#), the inflationary amount should be 3.0%, or an additional \$1.15 million, for a total of \$5.7 million. This will be corrected in the errata (Council Budget Action that adopts corrections to errors in amounts of appropriations or revenues for the 2022 Proposed Budget and 2022-2027 CIP).
7. **Senior Services** – Adds \$150,000 GF for the Visiting Nurse Project which would provide home based care to 200 individuals. It also adds \$300,000 to fund 2.5 FTE for outreach, case management and services for low-income older adults at Seattle Housing Authority (SHA) properties. The funding is from \$150,000 of ongoing GF and \$150,000 of revenue-backed funds provided by SHA.
8. **Food Access** – Adds one-time CLFR funding of \$2.5 million for meals in PSH, emergency shelters, and food banks. This funding is intended to “ramp down” COVID relief funds and bring food services funding to pre-COVID baseline levels. Additionally, the budget funds \$200,000 GF for Farm to Table which helps local farmers provide food to preschool and after school programs.

## Community-Led Investments

### Participatory Budgeting

On September 22, 2020, Council passed Ordinance 126151 which appropriated \$3 million to the Legislative Department to “enter into contracts with community-based organizations to research processes that will promote public safety informed by community needs.” The Council’s intent was that this initial funding would be used to develop recommendations for a PB process for 2021. The 2021 Adopted Budget included \$28.3 million in one-time funds for PB (FG-004-A-002). This funding was under proviso until June 1, 2021, when Council passed Ordinance 126360 to lift the proviso, and to create and fund three new positions in Seattle Office for Civil Rights. These new positions were added to work with community to develop and issue a Request For Proposal (RFP) to select a third-party administrator, negotiate and manage the contract, and to staff the PB Program, including coordinating internal City staff and collaborating with external partners in support of the program. It is expected that the positions will be filled and the RFP will be issued by late October. Because the PB process will likely not start until 2022, \$27.2 million to fund both the PB process and the selected projects remains in Finance General Reserves. The 2022 Proposed Budget includes new, on-going GF funding in Finance General of \$30 million per year for PB, which would result in a total of \$57.2 million for PB in 2022, reducing to \$30 million in 2023.

### Equitable Communities Initiative

ECI was funded with \$29.9 million of one-time funding in the 2021 Adopted Budget.<sup>1</sup> In 2021, the Department of Neighborhoods led a task force of 26 community members to develop recommendations for spending of the funds. The task force recommended projects in four spending categories: Business, Education, Health and Housing. In August, Council passed [Ordinance 126401](#) which appropriated the \$30 million to eight different departments for the task-force recommended projects. These departments are currently in the process of designing and issuing RFPs with the intent of having funds available by the end of 2021, with the majority of the funded work done in 2022.

The following table provides an overview of the ECI investments appropriated in 2021 and would be continued as ongoing funding in the 2022 Proposed Budget. Please see the General Fund Balancing Issue Identification Paper that will be presented to the Select Budget Committee on October 13 for a discussion of the ECI 2022 Proposed Budget.

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<sup>1</sup> ORD 126401 amended the 2021 Adopted Budget, adding \$100,000 GF for ECI, bringing the total funding to \$30 million.

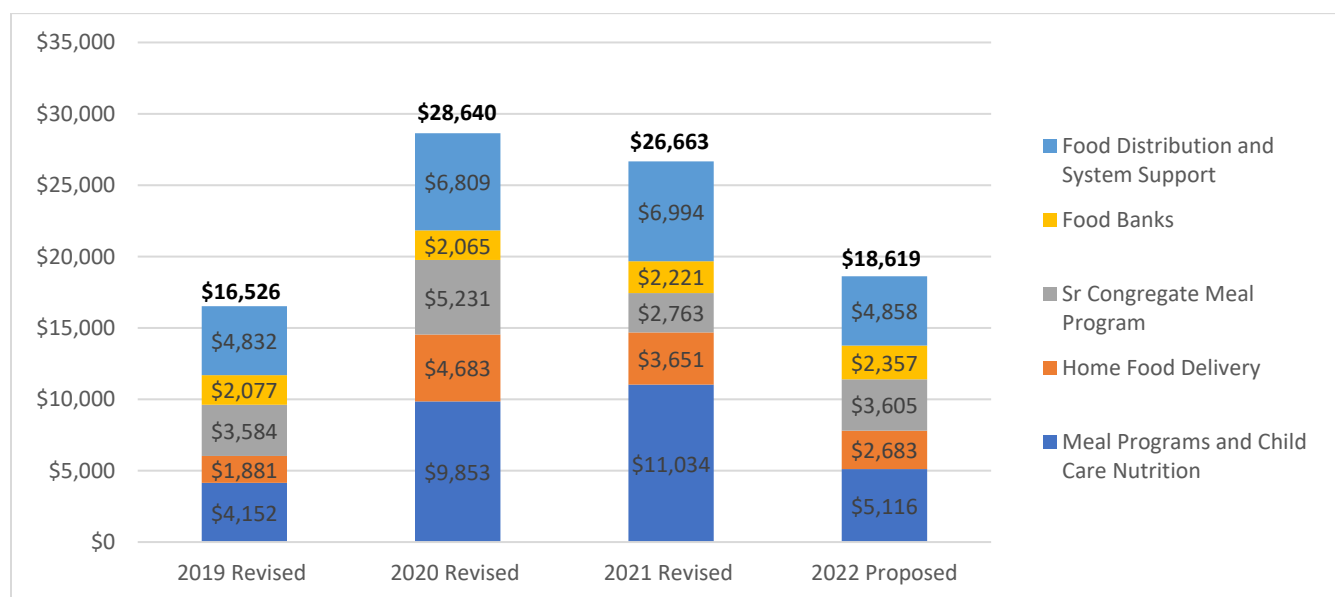
	2021 ORD 126401	2022 Proposed Budget		
Fund/Department/Budget Item	One-time 2021 Appropriations	Appropriations	FTE	Timing
<b>General Fund</b>				
<b>Office of Arts and Culture</b>				
Equity and Cultural Education	\$2,000,000	\$2,000,000		OG
<b>Department of Education and Early Learning</b>				
Equity and Cultural Education Fund (ECI)	\$4,000,000	\$4,000,000	1.00	OG
<b>Department of Neighborhoods</b>				
Investment in the Food Equity Fund (ECI)	\$750,000	\$750,000	1.00	OG
Provide Resources for Wealth Education (ECI)	\$1,800,000	\$1,800,000	2.50	OG
<b>Human Services Department</b>				
Reentry Programs for Formerly Incarcerated individuals (ECI)	\$1,500,000	\$1,500,000		OG
Culturally Responsive & Inclusive Direct Healthcare (ECI)	\$1,500,000	\$1,500,000		OG
Culturally Responsive & Inclusive Access to Healthcare (ECI)	\$1,000,000	\$1,000,000		OG
Farm to Table (ECI)	\$200,000	\$200,000		OG
<b>Subtotal - General Fund</b>	<b>\$12,750,000</b>	<b>\$12,750,000</b>	<b>4.50</b>	
<b>JumpStart Fund</b>				
<b>Office of Economic Development</b>				
Youth Healthcare Career Exploration (ECI)	\$480,621	\$480,621	1.0	OG
Healthcare Career Pipeline (ECI)	\$1,680,621	\$1,680,621	1.0	OG
Small Business Development Capital (ECI)	\$4,980,621	\$4,980,621	1.0	OG
Small Business Technical Assistance (ECI)	\$2,480,621	\$2,480,621	1.0	OG
<b>Office of Housing</b>				
Homeownership Development (ECI)	\$4,625,000	\$4,875,000		OG
Lease to Own	\$250,000			
Reserve Funding for Lease to Own Study Recommendations funded in 2021		\$250,000		OG
Ownership Retention Program (ECI)	\$875,000	\$875,000		OG
<b>Office of Sustainability and the Environment</b>				
Increase Environmental Justice Fund (ECI)	\$550,000	\$550,000		OG
<b>Finance and Administrative Services</b>				
Funding for Workforce Equity and WMBE Support (ECI) <sup>1/</sup>	\$1,000,000	\$1,000,000		OG
<b>Subtotal - JumpStart Fund</b>		<b>\$17,172,484</b>	<b>4.0</b>	
<b>ECI Total</b>		<b>\$29,922,484</b>	<b>8.50</b>	

## II. Issue Identification

### 1. Food Access

During the COVID-19 Pandemic, funding for Food Programs has increased significantly to help address the growing need for food support due to the economic impacts of the pandemic and loss of income for area families. Funding for food programs increased from \$16.5 million in 2019 to over \$28.6 million in the 2020 Revised Budget and \$26.6 million in the 2021 Revised Budget.<sup>2</sup> The 2022 Proposed Budget for food programs is \$18.6 million, a reduction of over \$8.0 million, or 30.1 percent from 2021, but still an increase over pre-pandemic funding levels. The proposed 2022 budget appropriates \$2.5 million in “ramp down funding”, which provides a bridge between the higher pandemic funding with the lower baseline budget, so that organizations can transition back from the higher funding levels. The \$2.5 million includes \$220,000 for Ethnic Grocery Bags, \$1 million for meals in PSH units and shelters, and \$1.28 million for food banks.

**Funding for Key Food Programs (\$ in 000s)**



#### Options:

- A. Increase one-time funding to minimize service reductions in 2022.
- B. Provide on-going funding to sustain increased investments in Food Programs. To fully restore funding to 2021 levels would require an additional \$8.0 million.
- C. No action.

<sup>2</sup> Due to significant differences between the Adopted Budget and Revised Budgets for food programs, this comparison shows data Revised Budgets which include mid-year additions.

## **2. Participatory Budgeting**

As noted above, there is currently \$27.2 million in Finance General Reserve to be used for PB, including funds to hire a third-party administrator to lead the PB process, and funding for recommended projects. The 2022 Proposed Budget includes new, on-going funding of \$30 million per year for PB, supported by the GF. With the addition of the on-going funding, a total of \$57.2 million is available for PB in 2022, which would drop again to \$30 million in 2023.

### **Options:**

- A. Change the proposed add for PB from on-going to one-time funding and state Council's intent to identify an ongoing revenue source to support these investments in 2023 and beyond.
- B. Cut some or all of the proposed \$30 million GF for in 2022, recognizing that much of the 2021 appropriations for PB will carryforward into 2022, redirecting funds for other one-time Council-identified priorities, and reducing the impact of drastic funding reduction in Year 2 (2023) of the PB program.
- C. No action.

## **3. Equitable Communities Initiative**

As discussed above and in the General Fund Balancing Analysis, the 2022 Proposed Budget establishes \$30 million in on-going funds for the ECI projects but does not identify a new revenue source for this investment. These funds are in addition to the \$30 million in project funding adopted by Council in September of this year which are anticipated to mostly be expended during 2022.

### **Options:**

- A. Change the appropriations to one-time and engage the ECI Task Force to identify an ongoing progressive revenue source.
- B. Reduce some or all of the proposed appropriations in 2022, recognizing that much of the 2021 appropriations for the ECI recommendations will carryforward into 2022, and engage the ECI Task Force to identify an ongoing progressive revenue source to support these investments ongoing in 2023 and beyond.
- C. No action.

### **III. Budget Legislation**

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#### **1. CBO 2021 Year-End Grant Acceptance ORD**

This legislation would accept funding from non-City sources in 2021. It includes the following proposed changes related to HSD's 2021 budget:

- \$291,422 from the Consolidated Appropriations Act Grant Expanding Access to COVID Vaccines for supporting access to COVID-19 vaccines for Older Adults in King County;
- \$104,955 from the Coronavirus Response and Relief Supplemental Appropriations Act Vaccine Response Funding for providing education on COVID-19 and assistance with accessing COVID-19 vaccines for older adults and people with disabilities in King County; and
- \$1,960,000 from the Washington Department of Commerce for capital costs related to Tiny Home Villages.

#### **2. CBO 2021 Year-End Supplemental Budget ORD**

This legislation would amend the 2021 Adopted Budget to increase, decrease and transfer appropriation authority, amend the Capital Improvement Program, create new positions and transfer positions. The legislation would have the following impacts on HSD Budget:

- Transfer \$8,000,000 for rental assistance from HSD to OH;
- Reduce Addressing Homelessness BSL by \$2,297,433 due to erroneous carryforward;
- Increase of \$384,000 for the language premium stipend;
- Increase of \$291,422 for supporting access to COVID-19 vaccines for Older Adults in King County;
- Increase of \$104,955 for providing education on COVID-19 and assistance with accessing COVID-19 vaccines for older adults and people with disabilities in King County;
- Increase of \$1,960,000 for capital costs related to Tiny Home Villages (THVs);
- Transfer \$4,188,437 of community safety programs (Re-Entry for Indigenous Peoples and Seattle Safe Communities Initiative) from Youth and Family Empowerment Division to Safe and Thriving Communities Division;
- Transfer \$400,000 of appropriation authority for tiny house villages from the Human Services Fund to the Coronavirus Local Fiscal Recovery Fund; and
- Create 1.0 FTE to support service contracts identified by the Equitable Communities Initiative.



### **3. CBO 2022 Recurring Grant Acceptance ORD**

This legislation would authorize Department directors to accept and appropriate grants and enter into revenue-backed service contracts that support appropriations in the proposed 2022 budget. It includes 17 grants totaling \$20.8 million appropriated to HSD, including:

- \$7,703,533 from Older Americans Act and Nutrition Services Incentive Program for services for older adults, including supportive services, congregate nutrition programs, home delivered meals, health promotion and caregiver support;
- \$5,794,407 from Community Development Block Grants for affordable housing, anti-poverty programs, and infrastructure development;
- \$3,150,304 from Housing for Persons Living with AIDS (HOPWA) for housing needs for individuals with HIV/AIDS;
- \$2,330,788 from the Rental Assistance Housing Levy for homelessness prevention;
- \$805,090 from Emergency Services Grant for homelessness services;
- \$500,000 from Title XIX for healthcare programs for people with low incomes; and
- \$300,000 for the Medicaid Transformation Demonstration Project.



## Legislation Text

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**File #:** Inf 1907, **Version:** 1

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Homelessness Response

# Budget Deliberations & Issue Identification Homelessness Response

Select Budget Committee | October 14, 2021

Jeff Simms, Traci Ratzliff, Brian Goodnight, Analysts

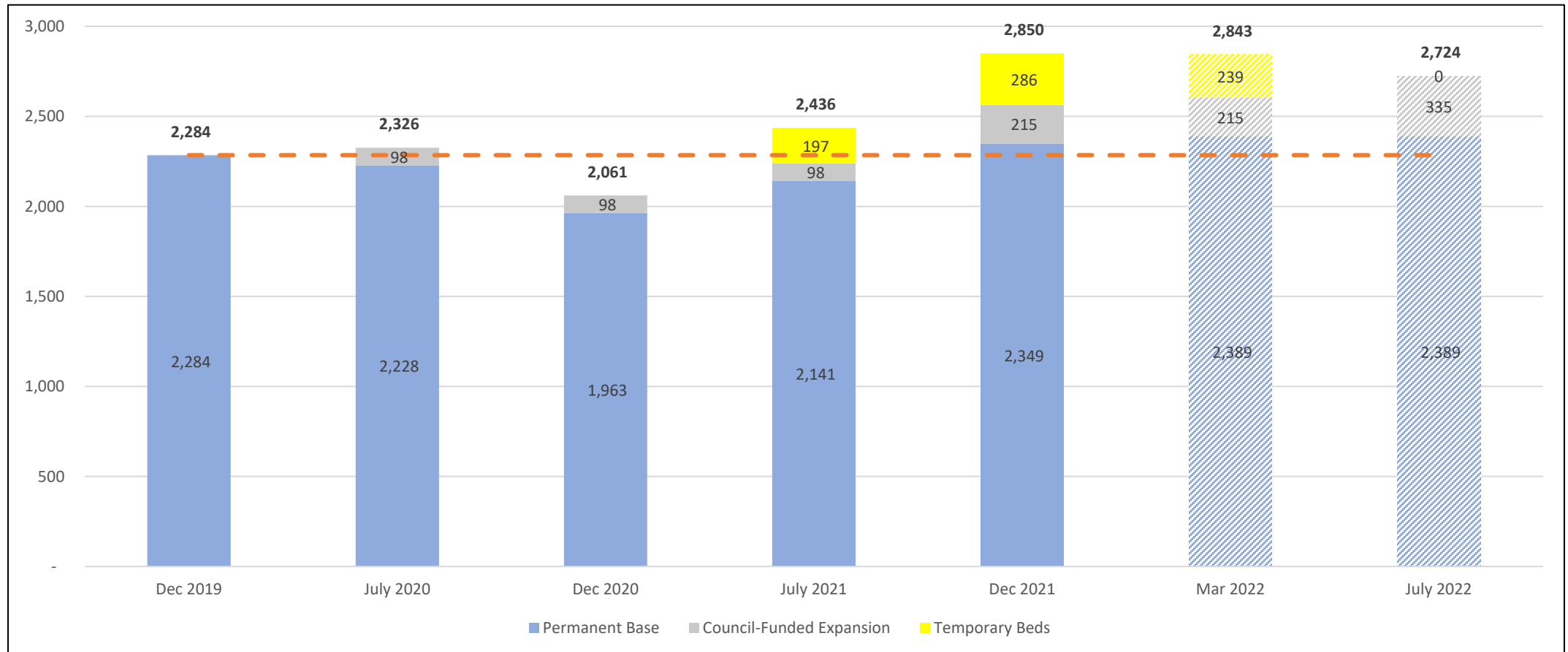


# Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Appropriations by Department</b>			
Human Services (HSD)	\$148,471	\$114,854	(22.6%)
Public Utilities (SPU)	\$9,173	\$10,750	17.2%
Clean City Initiative in SPU (not in total)	\$3,157	\$3,311	4.9%
Finance & Administrative Services (FAS)	\$819	\$819	0.0%
Parks & Recreation (SPR)	\$1,754	\$5,960	239.8%
Clean City Initiative in SPR (not in total)	\$3,647	\$2,800	(23.0%)
Housing (OH)	\$2,584	\$5,383	108.3%
Education & Early Learning (DEEL)	\$971	\$985	1.4%
Construction & Inspections (SDCI)	\$471	\$471	0.0%
Public Library (SPL)	\$255	\$255	0.0%
Neighborhoods (DON)	\$102	\$103	1.0%
Transportation (SDOT)	\$713	\$713	0.0%
Clean City Initiative in SDOT (not in total)	\$693	\$2,800	304.0%
<b>Total Appropriations</b>	<b>\$165,313</b>	<b>\$140,293</b>	<b>(15.1%)</b>



# Background (1/3): City-Funded Shelter Capacity



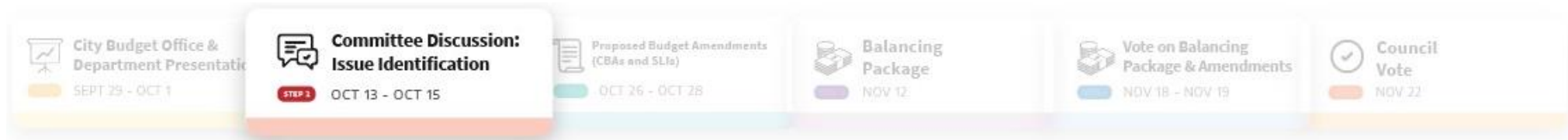
# Background (2/3): King County Regional Homelessness Authority's September Downtown Homelessness Proposal

Description	Funding Source	# Units	Timeline
Vacancies Prioritized for Downtown	Existing Programs	120	Sept. 2021 to Jan. 2022
New Beds for Lower-Acuity Individuals	King County ARPA Funds	275	Jan to Feb. 2022
New High-Acuity Shelter	See Issue ID Below	150	Feb. 2022
Emergency Housing	King County Health through Housing Sales Tax	313	Dec. 2021 to Jan. 2022
Permanent Housing	Projected New Units from Office of Housing Investments	75	Dec. 2021 to Jan. 2022
<b>TOTAL</b>		<b>933</b>	



## Background (3/3): Seattle Public Utilities (\$ in 000s)

Program	2021 Adopted	2022 Proposed	% Change
Encampment Clean-Up Contract	\$1,313	\$1,442	9.8%
Encampment Trash (a.k.a. Purple Bags)	\$674	\$587	(13.0%)
Public Hygiene	\$6,300	\$6,764	7.4%
Public Sinks	\$100	\$100	0.0%
Recreational Vehicle (RV) Remediation	\$590	\$1,480	150.9%
RV Wastewater	\$195	\$377	93.9%
<i>Homelessness-Related Subtotal</i>	<i>\$9,173</i>	<i>\$10,750</i>	<i>17.2%</i>
Community Clean Teams	\$69	\$184	167.1%
Graffiti Control	\$1,650	\$1,655	0.3%
Litter Abatement	\$890	\$970	8.9%
Sharps Collection	\$548	\$503	(8.3%)
<i>Clean City Initiative-Related Subtotal</i>	<i>\$3,157</i>	<i>\$3,311</i>	<i>4.9%</i>
Other Clean City Programs	\$7,277	\$7,926	\$8.9%
<b>Total</b>	<b>\$19,607</b>	<b>\$21,987</b>	<b>12.1%</b>



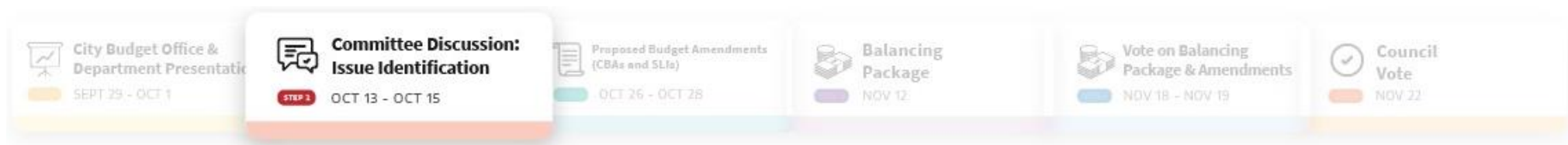
# Issue Identification (1/7)

## 1. Response to Unsanctioned Encampments

The 2022 Proposed Budget would keep funding for the HOPE Team at its current level and add 6.5 FTE in SPR to conduct work that had previously been performed by the Navigation Team.

### Options:

- A. Remove funding from the 2022 Proposed Budget for additional positions in SPR and/or SPU.
- B. Move part or all of the HOPE Team to another City department or KCRHA
- C. No Action





# Issue Identification (2/7)

## 1. Response to Unsanctioned Encampments

Positions by Function	2020 Adopted Budget	2021 Adopted Budget	2022 Proposed Budget <sup>1</sup>
Logistics and Operations	<ul style="list-style-type: none"> <li>HSD Operations Mgr</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Operations Coord</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Operations Coord</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> <li><b>SPR Field Coordinator</b></li> <li><b>SPR Field Coordinator</b></li> <li><b>SPR Strategic Adv</b></li> <li><b>SPR Admin Spec III</b></li> </ul>
Communications	<ul style="list-style-type: none"> <li>HSD Comm's Manager</li> </ul>	<ul style="list-style-type: none"> <li>HSD Comm's Str Adv</li> </ul>	<ul style="list-style-type: none"> <li>HSD Comm's Str Adv</li> <li><b>0.5 SPR Comm's Str Adv</b></li> </ul>
Data Analysis	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> <li>HSD Data Analyst</li> <li>HSD Data Analyst</li> </ul>	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> </ul>	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> <li><b>SPR Data Analyst</b></li> </ul>



# Issue Identification (3/7)

## 1. Response to Unsanctioned Encampments

Positions by Function	2020 Adopted Budget	2021 Adopted Budget	2022 Proposed Budget <sup>1</sup>
Client Engagement and Services <sup>2</sup>	<ul style="list-style-type: none"> <li>HSD Outreach Supervisor</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Outreach Coord</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Outreach Coord</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li><b>SPR Storage</b></li> </ul>
Team Management	<ul style="list-style-type: none"> <li>Navigation Team Lead</li> <li>Encampment Response Manager</li> <li>Admin Specialist</li> </ul>	<ul style="list-style-type: none"> <li>HOPE Director</li> </ul>	<ul style="list-style-type: none"> <li>HOPE Director</li> </ul>
Clean Up	13.0 FTE Special Maintenance Team	13.0 FTE Special Maintenance Team	13.0 FTE Special Maintenance Team
Law Enforcement	<ul style="list-style-type: none"> <li>2 Sergeants, 11 Officers</li> </ul>		
<b>TOTAL</b>	<b>46</b>	<b>23</b>	<b>29.5</b>



# Issue Identification (4/7)

## 2. New Program Investments from KCRHA

High Acuity Shelter: KCRHA requests \$19.4 million to create a new 150 bed shelter with intensive staffing, which includes \$1.5 million to stand-up the program and \$17.9 million for operation of the program for a year.

Peer Navigator Network: KCRHA requests \$7.6 million to create a 69-person Peer Navigator network covering downtown.

### Options:

- A. Add \$27 million to the HSD budget to fully fund both requests
- B. Add a scaled amount to partially cover one or both of the requested investments.
- C. No Action



# Issue Identification (5/7)

## 3. KCRHA Administrative and Operations Funding

KCRHA requests the Council appropriate an additional \$600,000 in 2022 to cover its shortfall for administrative expenses, though total administrative expenses are higher than earlier projections. Some of the administrative funding in the 2022 Proposed Budget comes from ARPA and the JumpStart Payroll Expense Tax.

### Options:

- A. Provide additional funding to partially or fully address the gap in administrative costs or change the source of the funding.
- B. No Action



# Issue Identification (6/7)

## 3. KCRHA Administrative and Operations Funding

*KCRHA Administrative Funding in 2022 Proposed Budget (\$ in 000s)*

Funding Source	Amount Proposed
General Fund, OH Levy, ESG	\$2,704
American Rescue Plan Act	\$1,120
JumpStart Payroll Expense Tax	\$811
<b>Subtotal: 2022 Proposed Budget</b>	<b>\$4,635</b>
Request for \$600,000	\$600
<b>Total (Including KCRHA Request)</b>	<b>\$5,235</b>

*Estimated KCRHA Administrative and Overhead Costs (\$ in 000s)*

Category	July 2021 (Full Staffing Plan)	September 2021 (Based on 2022 Proposed Budget)
Staffing	\$5,937	\$5,933
Additional Staff (2022 Proposed Budget)	-	\$1,937
HMIS	-	\$1,232
Other Overhead	-	\$1,739
<b>TOTAL</b>	<b>\$5,937</b>	<b>\$10,841</b>



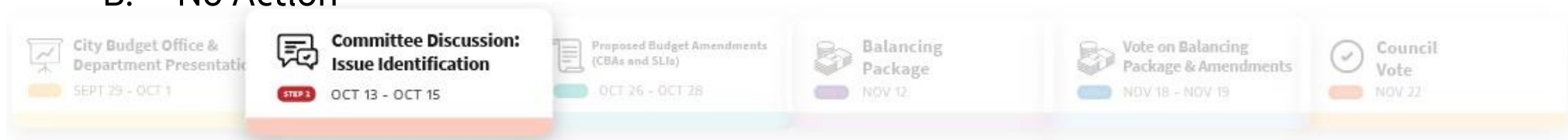
# Issue Identification (7/7)

## 4. Clean City Initiative Funding

The 2022 Proposed Budget includes approximately \$6.2 million of Coronavirus Local Fiscal Recovery (CLFR) funds to support a continued surge in activities through August 2022. Funding would continue to support four crews operating in four geographic quadrants in the City. Crews perform enhanced trash removal (dumping), garbage collection and litter pick-up, power washing of hardscapes, graffiti removal, storm drain cleaning, and lighting repairs/replacement in parks, natural areas, and public right of way. Additional litter abatement routes and sharps collection would also continue.

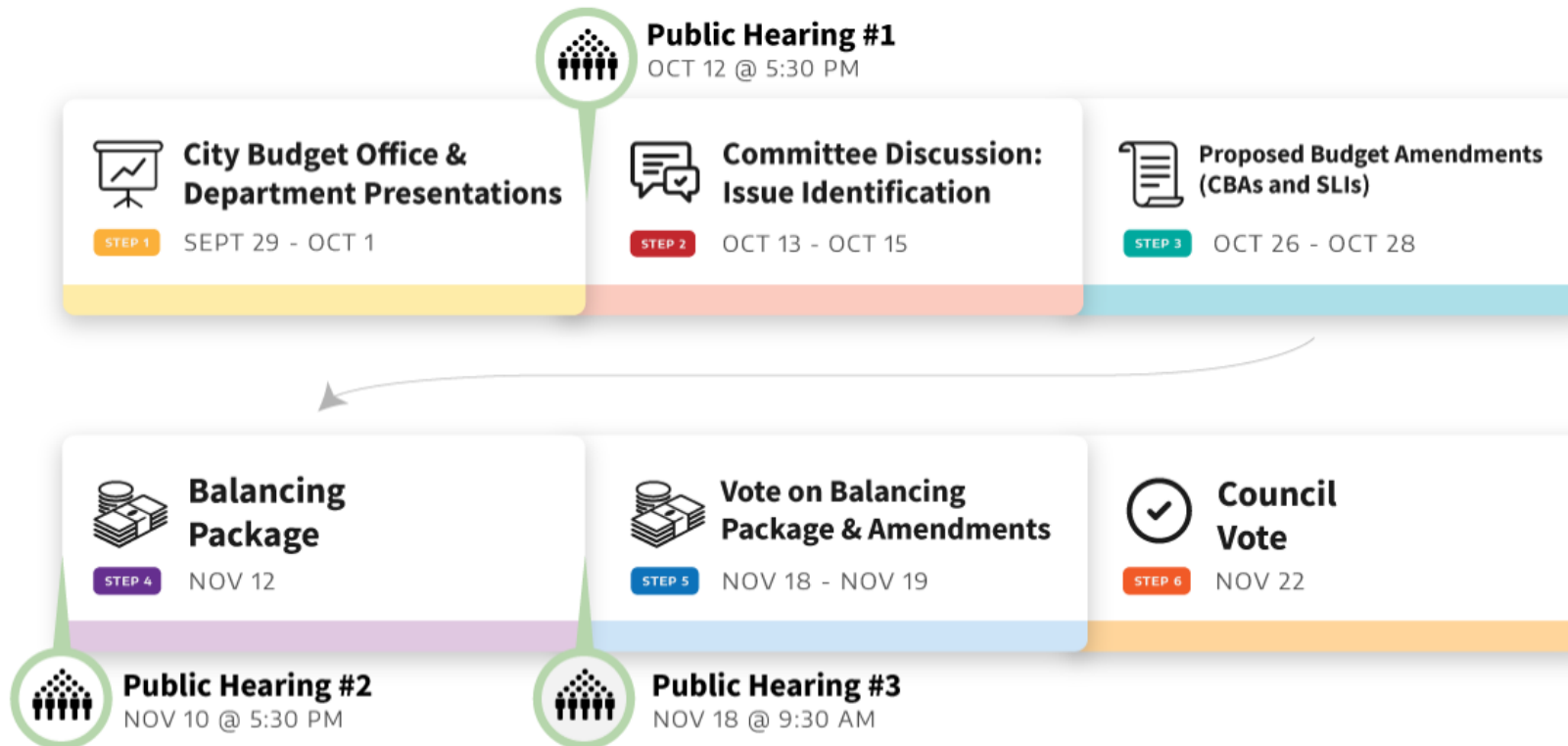
### Options:

- A. Extend the surge activities for four additional months to provide service for the entirety of 2022. The Executive estimates that the additional four months of service would cost approximately \$3.1 million.
- B. No Action



# Questions?

## Budget Timeline | FALL 2021



## Homelessness Response

Staff: Jeff Simms, Traci Ratzliff, Brian Goodnight

### Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
<b>Appropriations by BSL</b>			
<b>Operating</b>			
Human Services (HSD)	\$148,471	\$114,854	(22.6%)
<i>a. Homelessness Outreach and Provider Ecosystem</i>	\$1,129	\$1,199	6.2%
<i>b. King County Regional Homelessness Authority</i>	-	\$104,201	100%
<i>c. Other Programs and Services (including Contracted Agencies)</i>	\$123,774	\$9,454	(92.4%)
<i>d. McKinney Vento Grant from HUD to Continuum of Care<sup>2</sup></i>	\$17,195	-	(100%)
<i>e. LEAD Program (transferred to Safe and Stable Communities)</i>	\$6,373	-	(100%)
Police Department (SPD)	-	-	--
Public Utilities (SPU)	\$9,173	\$10,750	17.2%
<i>Clean City Initiative in SPU (not included in totals)</i>	\$3,157	\$3,311	4.9%
Finance & Administrative Services (FAS)	\$819	\$819	0.0%
Parks & Recreation (SPR)	\$1,754 <sup>3</sup>	\$5,960	239.8%
<i>Clean City Initiative in Parks (not included in totals)</i>	\$3,647	\$2,800	(23.0%)
Housing (OH)	\$2,584	\$5,383	108.3%
Education & Early Learning (DEEL)	\$971	\$985	1.4%
Construction & Inspections (SDCI)	\$471	\$471	0.0%
Public Library (SPL)	\$255	\$255	0.0%
Neighborhoods (DON)	\$102	\$103	1.0%
Transportation (SDOT)	\$713	\$713	0.0%
<i>Clean City Initiative in SDOT (not included in totals)</i>	\$693	\$2,800	304.0%
<b>Total Appropriations<sup>1</sup></b>	<b>\$165,313</b>	<b>\$140,293</b>	<b>(15.1%)</b>

<sup>1</sup> Numbers may not add up due to rounding.

<sup>2</sup> \$17.2 million in Federal McKinney-Vento Homelessness funds will go directly to the King County Regional Homelessness Authority in 2022 rather than coming to the City for pass-through.

<sup>3</sup> Does not include base funding of \$1 million for Special Maintenance Teams that is included in 2022 Proposed.



## **I. Background**

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This paper describes proposed changes in the City’s homelessness response investments in the 2022 Proposed Budget compared to the 2021 Adopted Budget. The 2022 Proposed Budget generally maintains overall funding for homelessness services compared to the 2021 Adopted Budget, but the overall amount masks substantial changes with programs. In the Human Services Department (HSD), funding decreases by \$10 million as Federal Emergency Solutions Grant COVID funds, which were provided through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, are removed, but one-time funds from the American Rescue Plan Act (ARPA) replace some of the lost Federal resources. Conversely, programs in Seattle Public Utilities (SPU) and Seattle Parks and Recreation (Parks) increase compared to the 2021 Adopted Budget, primarily hygiene programs and clean-up activities.

### Human Services Department

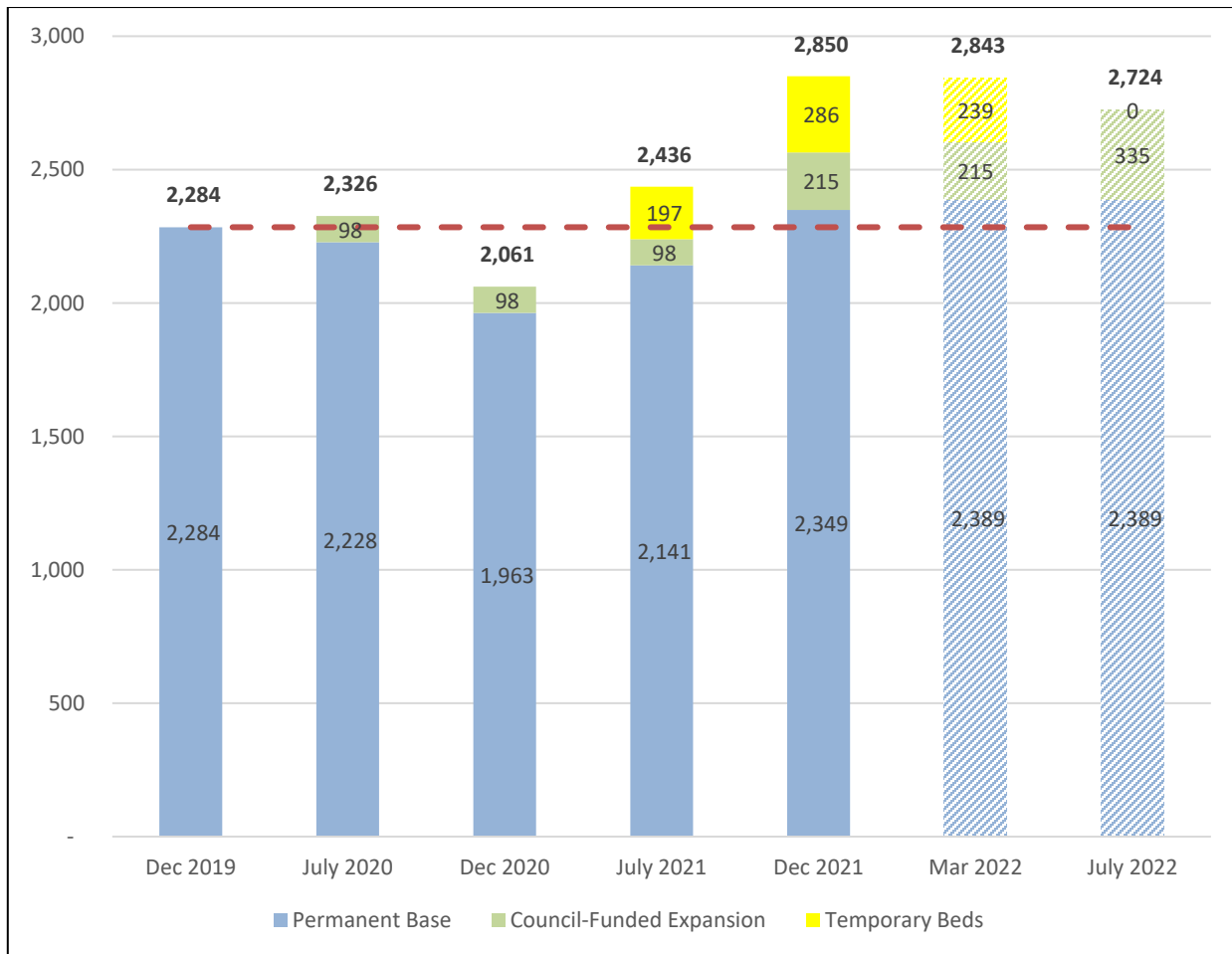
HSD’s 2022 Proposed Budget includes \$114.8 million for homelessness programs, a decrease of \$10 million compared to the 2021 Adopted Budget. Funding changes in the last year have substantially impacted the capacity of homelessness programs in the region, which affects components of the 2022 Proposed Budget and proposals from the King County Regional Homelessness Authority (KCRHA). In addition, 2022 will be the first year that funds and contract management are primarily passed from HSD to KCRHA. However, due to the pace of KCRHA becoming operational, proposals from KCRHA were not made earlier in the year and will be part of Council deliberations.

### City-Funded Shelter Capacity

In preparation for its September 30, 2022 meeting, the Select Budget Committee received [analysis](#) on City-funded emergency shelter capacity since the start of the pandemic determining that while overall shelter capacity has increased above pre-pandemic levels, permanent shelter capacity (i.e., excluding temporary or one-time funded beds) will not return to pre-pandemic levels until the end of 2021. Building on that analysis, Chart 1 shows anticipated shelter capacity through July 2022 if no changes are made to the 2022 Proposed Budget.

As temporary beds cease operations and new programs come online, City-funded shelter capacity is expected to stay around 2,850 beds, the same amount anticipated to be in operation in December 2022. The shelter programs at the King’s Inn and Executive Hotel Pacific are expected to cease operations on January 31, 2022, reducing temporary capacity by 197 units. However, on January 1, 2022, City funding will begin to support the operation of the 150-bed JustCARE program that is currently funded only by King County. Although this is not new overall capacity, it is an increase in City-funded capacity. JustCARE’s 89 beds that began receiving City funding in August 2021 are expected to close before July 2022. In the first half of 2022, an estimated 120 new tiny home village beds (shown as “Council-funded expansion”) will come online using capital funds provided from the Department of Commerce and operational funds appropriated in the Seattle Rescue Plan. By July 2022, permanent shelter capacity, including expansions proposed by the Council and programs provided multiple years of funding in the 2022 Proposed Budget, would be 2,724 units, approximately 440 more than before the pandemic.

*Chart 1: Actual and Projected Changes in City-Funded Shelter Capacity from 2019-2022*



### KCRHA's Downtown Strategy

KCRHA Chief Executive Officer Marc Dones has described taking a place-based approach to addressing the region's homelessness crisis, starting with the downtown core. In early September, they proposed a potential plan that would target 933 shelter and housing units in the downtown core to serve an estimated 800 people experiencing unsheltered homelessness in that area. The breakdown of this vision is shown in Table 2. However, changes have already occurred with some underlying components, and this proposal could undergo substantially more revisions between now and when KCRHA begins to implement it. In addition, the initial proposal leverages resources that will not be under the direct control of KCRHA, and further engagement with the needed community partners to utilize those investments will need to precede any final plan.

The September proposal primarily relies on prioritizing vacancies and new shelter and housing units for people in the downtown area. This would limit the availability of shelter spaces for other regions or encampments that have been prioritized for removal by City departments. Based on KCRHA's conservative estimate of bed turnover, an estimated 120 shelter beds could be targeted toward this initiative from existing shelter capacity, though that number will change if requirements are imposed on how to target shelter vacancies. King County appropriated

\$50 million of its ARPA Coronavirus Local Fiscal Recovery (CLFR) funds to provide [shelter or housing to 500 people](#) experiencing unsheltered homelessness in the downtown area and unincorporated King County. The proposed strategy would have relied on those funds to create 275 new shelter or emergency housing spaces for people experiencing unsheltered homelessness downtown. In addition, the strategy envisioned obtaining \$19 million in new funding (beyond what is in the 2022 Proposed Budget) to lease space for and operate a new 150 bed shelter offering services for people with especially acute needs (see issue identification below).

In addition to the CLFR funds provided by ARPA, the initial vision for a downtown plan would have also utilized resources from the Health through Housing Sales Tax. King County has been acquiring buildings using this tax. To date, nine buildings have been acquired that will provide approximately 859 units of either permanent supportive housing (PSH) or emergency housing (housing that offers similar services to PSH but lacks a full kitchen). Approximately 400 of these units are located in Seattle in five different buildings. Three of the five buildings in Seattle (290 beds) will be used to provide housing for individuals that had been moved to shelter deintensification locations, such as the Red Lion Inn in Renton and the Inn at Queen Anne. As a result, approximately 110 of the acquired units in Seattle plus the additional 459 units located in other jurisdictions (a total of 569) could potentially support a downtown strategy. The September plan for downtown would only have utilized 313 of those units, 200 of which would have been outside the City of Seattle.

Finally, the plan assumed that 75 housing units that the City's Office of Housing (OH) will open between now and the end of January 2022 would have been utilized for this strategy. To date, 210 housing units have opened and 291 are expected to open by the end of 2021.

*Table 2: September 2020 Vision for a Short-Term Downtown Homelessness Strategy*

Description	Funding Source	# Units	Timeline
Vacancies Prioritized for Downtown	Existing Programs	120	Sept. 2021 to Jan. 2022
New Beds for Lower-Acuity Individuals	King County ARPA Funds	275	Jan to Feb. 2022
New High-Acuity Shelter	See Issue ID Below	150	Feb. 2022
Emergency Housing	King County Health through Housing Sales Tax	313	Dec. 2021 to Jan. 2022
Permanent Housing	Projected New Units from Office of Housing Investments	75	Dec. 2021 to Jan. 2022
<b>Total</b>		<b>933</b>	

#### Seattle Public Utilities (SPU) Programs

The 2022 Proposed Budget for SPU includes approximately \$10.8 million of appropriations for programs related to homelessness and hygiene, and \$3.3 million of appropriations for programs related to the Clean City Initiative that was started last fall. Additionally, SPU operates a larger suite of General Fund-supported programs that have historically also been known as Clean City programs that address issues such as litter, illegal dumping, rodent abatement, and abandoned

vehicles. Table 3 shows the 2022 Proposed Budget relative to the 2021 Adopted Budget for the programs related to homelessness and hygiene, the Clean City Initiative, as well as a consolidated amount for the remaining suite of programs.

*Table 3: SPU Programs (\$ in 000s)*

<b>Program</b>	<b>2021 Adopted</b>	<b>2022 Proposed</b>	<b>% Change</b>
Encampment Clean-Up Contract	\$1,313	\$1,442	9.8%
Encampment Trash (a.k.a. Purple Bags)	\$674	\$587	(13.0%)
Public Hygiene	\$6,300	\$6,764	7.4%
Public Sinks	\$100	\$100	0.0%
Recreational Vehicle (RV) Remediation	\$590	\$1,480	150.9%
RV Wastewater	\$195	\$377	93.9%
<b>Homelessness-Related Subtotal</b>	<b>\$9,173</b>	<b>\$10,750</b>	<b>17.2%</b>
Community Clean Teams	\$69	\$184	167.1%
Graffiti Control	\$1,650	\$1,655	0.3%
Litter Abatement	\$890	\$970	8.9%
Sharps Collection	\$548	\$503	(8.3%)
<b>Clean City Initiative-Related Subtotal</b>	<b>\$3,157</b>	<b>\$3,311</b>	<b>4.9%</b>
Other Clean City Programs	\$7,277	\$7,926	8.9%
<b>Total</b>	<b>\$19,607</b>	<b>\$21,987</b>	<b>12.1%</b>

There is one important caveat to note about the information presented in Table 3: the imprecision of SPU's labor allocation process gives the appearance that some programs, such as Encampment Trash, are decreasing in 2022 when they are not. According to SPU, labor is not typically allocated in as fine of detail as this table is attempting to present, and staff time may be attributed to the incorrect Clean City program. SPU has confirmed that the 2022 Proposed Budget does not decrease services for any of these programs.

Overall, the 2022 Proposed Budget increases investments in the entire suite of programs by approximately \$2.3 million, or 12 percent, relative to the 2021 Adopted Budget. Additionally, staffing dedicated to the Clean City programs is proposed to increase by 3.0 FTE, from 19.8 FTE in 2021 to 22.8 FTE in 2022. Two of these FTE additions are described under the RV Remediation bullet point below, and the other is an Administrative Staff Analyst who is intended to increase SPU's ability to track and report on program outcomes for a body of work that has grown substantially over the past few years.

Some notable changes in SPU's proposed budget include:

- **Public Hygiene – \$275,000** – Adds ongoing funding for three additional public hygiene stations with the intention of providing service near RV encampments. The program's base funding supports two hygiene trailers with showers and 18 hygiene stations, although only nine hygiene stations are currently deployed due to maintenance or repair issues. When fully deployed, the program in 2022 would have a total of 21 hygiene stations.

- RV Remediation – \$556,000 – Adds ongoing funding, with a corresponding reduction to the Seattle Department of Transportation’s budget, to expand services provided by the RV Remediation program in the City’s right-of-way.

In its original model, the program averaged six to eight full-scale cleans per month that required RVs to move out of the right-of-way to allow litter and trash to be removed. After the pandemic began and the 72-hour parking limit was lifted, the department shifted to contracting for smaller “pocket cleans” where cleaning occurred around RVs that remained in place. These pocket cleans were less effective but were able to be done more frequently, and the department has been averaging about eight-12 pocket cleans per month.

In 2022, SPU intends to return to the original framework for the program and provide six to eight full-scale cleans per month. The additional \$556,000 in funding for the program will be used to support three efforts:

1. 1.0 FTE Field Coordinator – The proposed Year-End Supplemental Budget Ordinance would add a new Field Coordinator position to SPU. The new position would provide site evaluations, connect individuals residing in RVs to resources, facilitate trash removal around RVs in the right-of-way, and manage the storage of personal belongings if necessary.
2. Purple bag distribution – The distribution of purple bags is expected to serve seven to 10 RV sites per month, and the sites will rotate as needs are identified.
3. “Geo cleans” – These will target four geographical areas of the city per week to provide additional trash pickup around RVs. SPU estimates that about 16 cleans will occur each month.

Additionally, the proposed budget would add one additional permanent position, a Planning and Development Specialist II, to replace a temporary position that started working on the program in 2020.

- RV Wastewater – \$175,000 – The proposed budget includes two separate requests for additional funding for the RV Wastewater program: a \$100,000 increase to service 120 RVs per month, and a \$75,000 increase to reduce the servicing interval from six weeks to four weeks.

According to data provided by SPU, between January and September of this year, the RV Wastewater program has serviced an average of 133 RVs per month, with a low of 94 in June and a high of 154 in May. During six of these months the program was operating on a four-week servicing interval, and the other three months was operating on a six-week servicing interval (June through August).

SPU has indicated that the funding requests in the proposed budget are to address higher-than-anticipated servicing costs for the program. Due to wastewater volumes being greater than expected, SPU has shifted to a “pump-in-place” model that is costlier than alternative methods.

## II. Issue Identification

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### 1. Response to Unsanctioned Encampments

Since 2017, the Navigation Team constituted the primary entity for responding to unsanctioned encampments in the City, primarily to remove or clean up encampments. In 2018, Seattle Parks and Recreation (SPR) reallocated existing staff to form a 15-person Special Maintenance Team (including 2 Field Coordinators) to support the Navigation Team to respond to the increasing number of needed cleanups of unsanctioned encampments on public property and to support SPU's RV remediation program. The annual cost of this effort was \$2.46 million in its first year (\$2.7 million in 2021). During the summer of 2020, the Council repurposed funding for the Navigation Team to increase funding for contracted homelessness outreach providers, while leaving the Parks funding unaffected. The 2021 Adopted Budget [replaced the Navigation Team](#) with the smaller Homelessness Outreach and Provider Ecosystem (HOPE Team). This action reduced the number of positions associated with assessing and addressing site conditions and called for a team that coordinated outreach and shelter referral among homelessness outreach providers generally without direct engagement with people experiencing homelessness. However, because contracted homelessness outreach providers expressed opposition to being present when encampments are removed, the System Navigators on the HOPE Team continue to be the only people consistently present during the posted removal period who make final offers of shelter.

With the elimination of the Navigation Team in 2021, SPRs' Special Maintenance Team assumed responsibility for facilitating the City's process for assessing and prioritizing unsanctioned encampment sites in parks and SDOT right of ways for removal based on hazards and other site conditions (see [Multi-Departmental Rule 17-01](#) and [FAS Rule 17-01](#)). When an encampment is prioritized for removal, the HOPE Team initially identifies the homelessness outreach providers who have engaged with the encampment's residents, collaboratively develops a list of those in the encampment and their service and shelter needs and seeks to match encampment residents with appropriate shelter vacancies, though the ability to refer to the most appropriate shelter is dictated by availability and the length of advanced outreach needed. The Special Maintenance Team collaborates with the HOPE Team, which coordinates outreach and offers of shelter. The Special Maintenance team also manages the storage process for personal belongings, coordinates and performs site cleaning activities with contractors and the Seattle Police Department (as necessary) and performs litter picks and debris removal in accordance with formal encampment abatement rules while awaiting outreach services and offers of shelter.

The 2022 Proposed Budget would keep funding for the HOPE Team at its current level but proposes a matrix management or lending arrangement for HOPE Team members with SPR and KCRHA. The 2022 Proposed Budget would add 6.5 FTE in SPR to conduct work that had previously been performed by the Navigation Team, including activities required by City regulations for carrying out an encampment removal. Staff continues to collect information to understand whether work that the HOPE Team continues to carry out overlaps with some of the work that the new SPR FTEs would do. The 6.5 FTE in SPR would be in addition to the existing 2.0 FTE Field Coordinators and 13.0 FTE SPR staff who constitute the Special Maintenance Team. A Field Coordinator position would also be created in SPU, though that position is expected to work with

existing SPU staff (approximately 1.4 FTE) on the RV Remediation program. The SPU Field Coordinator would also coordinate with SPR staff on storage of personal belongings when necessary. SPU would continue to manage a \$1.3 million contract for Encampment Clean-up that was transferred to them from the Department of Finance and Administrative Services in 2021.

The creation of the new positions in the 2022 Proposed Budget would result in a total of 29.5 staff (13 on the Special Maintenance Team and 16.5 for purposes previously managed by the Navigation Team) across all departments for responding to unsanctioned encampments and carrying out clean-up activities. These positions and the general category of their functions are displayed in Table 4, though many positions have duties that could be categorized in multiple ways. Two of the new positions would be Field Coordinators who would post removal notices, conduct site assessments, and coordinate on-site activities the day of a removal. Two additional staff for strategic and operations support would likely support these types of activities. All of the additional staff would focus on removal-related activities, property storage, data recording, and constituent response, not providing outreach or service connection.

A further consideration is that all shelter and homelessness outreach contracts are moving to the KCRHA on January 1, 2022. As a result, HSD will not have the same leverage over shelter and homelessness outreach providers that it did in 2021, but it will continue to receive performance data from KCRHA, such as information on when referred individuals spend at least one night at a shelter. It is possible that locating the coordination staff in HSD, where they will have access to that performance data and work alongside those administering the Master Service Agreement with KCRHA will be beneficial. It is also possible that moving the HOPE Team to another department, such as SPR, to streamline staff oversight and have the staff responsible for ensuring services are offered work on the same team as those carrying out clean-up activities would improve coordination of the activities that an encampment removal entails. However, SPR does not currently engage in outreach activities focused on people experiencing homelessness. Moving the HOPE Team to KCRHA could also be beneficial to centralize all service connection work in a single location and reduce the number of departments involved in an encampment removal. However, contracted homelessness outreach providers have expressed opposition to some of the requirements of the HOPE Team and may raise further objections.

Table 4: City Staff for Responding to Unsanctioned Encampments

Positions by Function	2020 Adopted Budget	2021 Adopted Budget	2022 Proposed Budget <sup>1</sup>
Team Management	<ul style="list-style-type: none"> <li>Navigation Team Lead</li> <li>Encampment Response Manager</li> <li>Admin Specialist</li> </ul>	<ul style="list-style-type: none"> <li>HOPE Director</li> </ul>	<ul style="list-style-type: none"> <li>HOPE Director</li> </ul>
Logistics and Operations	<ul style="list-style-type: none"> <li>HSD Operations Mgr</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>HSD Field Coordinator</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Operations Coord</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Operations Coord</li> <li>SPR Field Coordinator</li> <li>SPR Field Coordinator</li> <li><b><i>SPR Field Coordinator</i></b></li> <li><b><i>SPR Field Coordinator</i></b></li> <li><b><i>SPR Strategic Adv</i></b></li> <li><b><i>SPR Admin Spec III</i></b></li> </ul>
Clean Up	13.0 FTE Special Maintenance Team	13.0 FTE Special Maintenance Team	13.0 FTE Special Maintenance Team
Client Engagement and Services <sup>2</sup>	<ul style="list-style-type: none"> <li>HSD Outreach Supervisor</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Outreach Coord</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> </ul>	<ul style="list-style-type: none"> <li>HSD Outreach Coord</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li>HSD System Navigator</li> <li><b><i>SPR Storage</i></b></li> </ul>
Communications	<ul style="list-style-type: none"> <li>HSD Comm's Manager</li> </ul>	<ul style="list-style-type: none"> <li>HSD Comm's Str Adv</li> </ul>	<ul style="list-style-type: none"> <li>HSD Comm's Str Adv</li> <li><b><i>0.5 SPR Comm's Str Adv</i></b></li> </ul>
Data Analysis	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> <li>HSD Data Analyst</li> <li>HSD Data Analyst</li> </ul>	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> </ul>	<ul style="list-style-type: none"> <li>HSD Data Analyst</li> <li><b><i>SPR Data Analyst</i></b></li> </ul>
Law Enforcement	<ul style="list-style-type: none"> <li>2 Sergeants, 11 Officers</li> </ul>		
<b>Total</b>	<b>46</b>	<b>23</b>	<b>29.5</b>

<sup>1</sup> Positions shown in bold and italics reflect positions that would be added in the 2022 Proposed Budget.

<sup>2</sup> The table above does not include staff at contracted agencies whose work collaborates with or is coordinated by the Navigation Team or HOPE Team.

#### Options:

- A. Remove funding from the 2022 Proposed Budget for additional positions in SPR and/or SPU.
- B. Move part or all of the HOPE Team to another City department or KCRHA.
- C. No Action



## **2. New Program Investments from KCRHA**

The interlocal agreement (ILA) creating KCRHA envisions a process where KCRHA will prepare a budget request in the spring that must receive approval from KCRHA's Implementation Board and Governing Committee in time for the City and County budgeting processes to begin in early summer. However, only minimal KCRHA staff were hired by this summer, making it unfeasible for a budget request to be prepared. Instead, the KCRHA has identified a limited number of additional investments for the Council to consider adding to the \$104 million that would be provided to KCRHA in 2022. These budget requests from KCRHA were not finalized in time to be considered in the Mayor's 2022 Proposed Budget. Central Staff is still collaborating with the Lived Experience Coalition to determine if there are any concerns with these proposals among its members.

### **New High-Acuity Shelter**

KCRHA requests \$19.4 million to create a new 150 bed shelter with intensive staffing that would include a psychiatric nurse practitioner, a primary care doctor, and three registered nurses. This includes \$1.5 million to stand-up the program and \$17.9 million for operation of the program for a year. It is assumed that \$1.5 million would cover necessary site modifications for a leased location, not the acquisition of a location for the services.

The proposed level of care would exceed many permanent supportive housing programs and is nearly twice the per bed operational cost of other shelter programs for people with significant health and behavioral health conditions, such as the Navigation Center and Bailey Boushay House. The level of services compares to DESC's Crisis Solutions Center, where individuals in crisis stabilize for up to 72 hours and people who are experiencing homelessness can stay in a "step-down" program for up to an additional 14 days.

This program would serve a critical need for people who otherwise have no shelter options and have significant service needs. KCRHA anticipates that some individuals would sufficiently stabilize so that their long-term housing options would not be limited to permanent supportive housing (PSH). Several aspects of this proposal are still under development, such as whether to cap the length of time an individual could stay in the program or the possibility of prioritizing exits from this program for placement through coordinated entry.

### **Peer Navigators**

KCRHA requests \$7.6 million to create a 69-person Peer Navigator network covering downtown. The proposal includes the salary costs for these positions at KCRHA and flexible funding for client assistance and engagement.

Peer Navigators would serve as advocates or coaches as a person progresses through various programs. That longer-term engagement differs from most homelessness outreach workers and case managers, who only work with a client while they are in a particular program and then transition to another case manager. KCRHA would directly employ the Peer Navigators, provide their initial training, and facilitate the connection to individuals experiencing

homelessness in the geographic area of focus. Peer Navigators would likely match with a maximum of 15 people for the coaching or advocacy they would provide.

The program would phase in, hiring additional peer navigators in the second and third quarters of 2022. This could potentially increase the long-term annualized cost of the program. In addition, there is a desire to expand the program county-wide after the initial development period. KCRHA intends to pursue Medicaid reimbursement for the program under licensure as Certified Peer Counselors who provide recovery support to individuals participating in Medicaid services. KCRHA would modify the program based on the lessons learned for Medicaid reimbursement.

**Options:**

- A. Add \$27 million to the HSD budget to fully fund the requests for a 150-bed high-acuity shelter and peer navigation network.
- B. Add a scaled amount to the funds that will be provided to KCRHA to partially cover one or both of the requested investments.
- C. No Action

**3. KCRHA Administrative and Operations Funding**

According to KCRHA, the 2022 Proposed Budget would provide \$4.6 million for administrative costs at KCRHA, including salaries and overhead, which is \$1.6 million more than initial estimates developed in May 2021 when KCRHA prepared its immediate staffing request. That increase largely reflects administrative funding from ARPA, which provides one-time funding. \$1.1 million of the total that would be provided in the budget come from the ARPA allowance for administrative costs. In addition, \$811,000 of the total would come from the JumpStart Payroll Expense Tax Fund, and administrative costs are not a permissible expenditure for this fund as currently defined in statute. As such, the Council would need to approve changes to the permissible expenditures from the Jump Start Fund in order to support KCRHA at this level.

At this time, KCRHA requests the Council appropriate an additional \$600,000 in 2022 to cover its shortfall for administrative expenses. This would increase the total City contribution for administration and operating expenses from \$4.6 million to \$5.2 million (see Table 6). Central Staff is working with HSD to determine how this compares to the historical amounts provided to HSD to manage homelessness services. Even with this increase, the proportion of the total City funding provided to KCRHA that would be used for administrative and operational costs would remain approximately 5 percent.

The needed amount of General Fund contribution would be even larger if the Council chooses not to utilize one-time Federal ARPA funds or access the JumpStart Payroll Expense Tax fund to cover KCRHA administration, as proposed in the 2022 Proposed Budget. Without including the administrative funds from ARPA, which are not on-going funds, and the funds from Jump Start, City funding for KCRHA's own operations would be only \$2.7 million in 2022. KCRHA has the ability to allocate funds for administrative expenses that previously have gone to service

delivery, but such an action would reduce current contract amounts with service providers below 2021 award levels.

*Table 5: KCRHA Administrative Funding in 2022 Proposed Budget (\$ in 000s)*

<b>Funding Source</b>	<b>Amount Proposed</b>
General Fund, OH Levy, ESG	\$2,704
American Rescue Plan Act	\$1,120
JumpStart Payroll Expense Tax	\$811
<b>Subtotal: 2022 Proposed Budget</b>	<b>\$4,635</b>
Request for \$600,000	\$600
<b>Total (Including KCRHA Request)</b>	<b>\$5,235</b>

The KCRHA administrative funding in the 2022 Proposed Budget is part of a larger overall budget for KCRHA administration than previously expected (see Table 6). On September 29, 2021, CEO Dones presented to the KCRHA Implementation Board an estimate of KCRHA's budget if the Mayor's 2022 Proposed Budget were adopted without changes, though the expected KCRHA total budget has subsequently had slight revisions. KCHRA estimates total 2022 operating costs to be \$10.8 million, and that it will receive \$10.2 million from the City and County toward these costs. The \$10.2 million for operations would be approximately \$3.5 million more than was anticipated in July 2021 when a staffing plan was approved by KCRHA's Governing Committee and Implementation Board. However, the July budget did not include overhead of \$1.7 million or Homeless Management Information System (HMIS) administrative costs of \$1.2 million, which are now included in the Authority's 2022 estimated budget. In addition, there would be 15.0-17.0 more FTEs, with an estimated \$1.9 million more in costs, than were approved by the Governing Committee and Implementation Board in July 2021. The combined impact of more overhead, more staff, and additional resources would create an operating budget that is \$3.5 million more than initially expected, yet, due to \$1.1 million available from ARPA and \$811,000 from the JumpStart Payroll Expense Tax, only an additional \$600,000 is required to balance in 2022.

*Table 6: Estimated KCRHA Administrative and Overhead Costs (\$ in 000s)*

<b>Category</b>	<b>July 2021 (Full Staffing Plan)</b>	<b>September 2021 (Based on 2022 Proposed Budget)</b>
Staffing	\$5,937	\$5,933
Additional Staff (2022 Proposed Budget)	-	\$1,937
HMIS	-	\$1,232
Other Overhead	-	\$1,739
<b>Total</b>	<b>\$5,937</b>	<b>\$10,841</b>

Some changes for KCRHA were anticipated. KCRHA had previously advised it would increase

staffing for the office of the Ombuds and for more sub-regional planning work if additional resources became available. Those offices will undertake work that was not previously supported at either the City or County. Approximately one-third of the estimated increase in FTE reflects expansion in those offices.

In addition, KCRHA did not have final information this summer on a variety of factors that would require revisions to its budget, such as the administrative funding it would receive, number of contracts it would be responsible for managing, and whether it would administer one-time Federal COVID resources. Most of the other new positions are additions to the Program Delivery and Performance and Community Impact Divisions. These divisions will also have responsibility for operating more than \$30 million of programs funded by ARPA and the JumpStart Payroll Expense Tax that were not anticipated previously. KCRHA also indicates that the expectation that it analyze and improve overall systems performance necessitates some of the added positions.

**Options:**

- A. Provide additional funding to partially or fully address the gap in administrative costs or change the source of the funding.
- B. No Action

#### 4. Clean City Initiative Funding

The Clean City Initiative, which began in Fall 2020, is intended to provide a temporary surge in cleaning activities to address illegal dumping and trash in the public right-of-way, parks, open space, and around encampments. These efforts are primarily provided by teams of employees from SPR and SDOT. The initiative also provides funding to SPU to support the SPR and SDOT cleaning teams and increase the number of litter abatement routes, disposal boxes for sharps (e.g., syringes, needles), and the removal of graffiti.

As shown in Table 6, the 2021 Adopted Budget included a little more than \$2 million in the three departments to cover the majority of the surge activities through April 2021, with some of the SPU activities stretching further into the year. In April, via [Ordinance 126320](#), the Council appropriated \$5.8 million of unallocated 2020 Coronavirus Relief Funds to support the surge activities through the end of 2021.

*Table 6: Clean City Initiative (\$ in 000s)*

Department	2021 Adopted	April 2021 Addition	2021 Revised	2022 Proposed
SPR	\$747	\$2,900	\$3,647	\$2,800
SDOT	\$693	\$2,500	\$3,193	\$2,800
SPU	\$593	\$420	\$1,013	\$637
<b>Total</b>	<b>\$2,033</b>	<b>\$5,820</b>	<b>\$7,853</b>	<b>\$6,237</b>

The 2022 Proposed Budget includes approximately \$6.2 million of CLFR funds to support a continued surge in activities through August 2022. This proposed funding would continue to support four crews operating in each of the four geographic quadrants in the City who do enhanced trash removal (dumping), garbage collection and litter pick-up, power washing of hardscapes, graffiti removal, storm drain cleaning, and lighting repairs/replacement in parks, natural areas, and public right of way. It would also support the continuation of additional litter abatement routes and sharps collection.

In addition to the Clean City Initiative surge, the 2022 Proposed Budget includes base funding in SPR and SPU for ongoing efforts to support clean-up activities. SPR's proposed budget includes \$2.7 million for cleanups of unsanctioned encampments on public property and the right-of-way (\$1.1 million funded by SDOT) and to support SPU's RV Remediation program. See the Response to Unsanctioned Encampments issue section for additional information on SPR's programming, and the SPU Programs section for additional information on SPU's ongoing programming.

The 2022 Proposed Budget includes one-time CLFR funding that ends in August 2022. Without additional funding, this intensive, coordinated effort to address the significant amount of garbage and litter accumulating in the City will end.

**Options:**

- A. Add funds to extend the surge activities for four additional months to provide service for the entirety of 2022. The Executive estimates that the additional four months of service would cost approximately \$3.1 million.
- B. No Action