



Seattle City Council

Central Staff - Memorandum

Date: February 8, 2016
To: Human Services and Public Health Committee
From: Eric McConaghy, Council Central Staff
Subject: Council Bill (CB)118619, Proviso Lift and Transfer of \$2.265 million from Finance General Reserves to the Human Services Dept. for one-time homeless funding

Overview

[CB 118619](#), as introduced, would lift the proviso placed on \$2.265 million held in Finance General Reserves for homelessness. Council added the appropriation, in reserve, to the 2016 Adopted Budget but imposed a proviso on expenditure by the Human Services Department (HSD). This proviso provides:

None of the money appropriated in the 2016 budget may be expended from the Emergency Homeless Program for 2016 (One-Time Funding) Reserve in Finance General until authorized by future ordinance. Council anticipates that such authority will not be granted until the Human Services Department provides a plan for using the Finance General Reserve funding to deliver one-time, emergency homelessness services.¹

Lifting the proviso would show Council's satisfaction that the conditions of the proviso have been met, namely, that HSD has delivered a plan "for using the Finance General Reserve funding to deliver one-time emergency homeless services." The proposed bill would also accomplish the transfer of the \$2.265 million from Finance General Reserves to the Human Services Operating Fund for spending.

On January 15, 2016, the Mayor submitted the proposed legislation with a draft spending plan accounting for the currently-available \$5 million in emergency funding for homelessness, as well as the \$2.265 million in reserves. On February 1, 2016, HSD transmitted the *Homeless State of Emergency Implementation Plan* that describes the spending of the budgeted and emergency allocations for homelessness services under the current homeless State of Emergency, in context with longer-term homelessness investments.

Appendix A of this *Implementation Plan* is a newer version of the spending plan, with a modest proposed increase from \$226,087 to \$258,360 in spending for housing assistance for homeless Seattle Public School families, than the version submitted with CB 118619. The earlier version of the spending plan is attached to the fiscal note to CB 118619. However, it is not part of the proposed bill itself.

¹ Green Sheet (GS) 136-1-C-2, see Attachment A.

Seattle’s Investment in Homeless Services

Seattle began funding homeless services, in the form of emergency shelter, in 1978. Since then, Seattle’s investment in homeless services, or base budget, has grown to more than \$40 million annually, primarily spent through 180 contracts and 60 agencies for services that provide homeless prevention, homeless intervention, and permanent housing. HSD makes and oversees these contracts, as part of the work of the Department to deliver human services in Seattle. The annual budget for HSD, overall, is about \$141 million.

After reviewing the more than \$40 million in annual investments for adults, families, young people and children, HSD reported the following broad observations about Seattle’s homeless investments (*2015 Homeless Investment Analysis Report (HIA)*, March 2015):

- Multiple factors are contributing to the increase in demand for homeless services: increasing poverty, increasing cost of housing, persistent inequity, decreased state and federal funding for medical, mental health, chemical dependency treatment, foster care and criminal justice;
- General fund support has increased from 38% to 58% as a proportion of total spending between 2005 and 2014, other funding, primarily federal, falling away commensurately;
- Seattle spends mostly to help people experiencing homelessness (70% of spending), much less on preventing homelessness (11%) and on permanent housing (19%); and
- Seattle’s investments, competitive funding processes, and incremental programmatic allocations for homeless services are not guided by policy informed by evidence-based best practices and responsive to measured outcomes.

Additional Emergency Appropriations

On November 3, 2015, the Council passed and the Mayor approved [Ordinance 124892](#), making a loan of \$5 million from the City’s cash pool, backed by a future sale of surplus property, to pay for “immediate homelessness prevention efforts.” The ordinance allowed for any of the \$5 million not spent in 2015 to be spent in subsequent years. The loan is in addition to budgeted appropriations for homeless services. This action was concurrent with Council’s ratification and confirmation of the mayoral proclamation of a civil emergency related to homelessness.

<i>Emergency funding with civil emergency</i>	<i>\$5,000,000</i>
Mayor's additions to proposed budget (Council approved all)	\$1,436,000
<i>Council's additions to the budget</i>	
Finance General reserve for additional services for the homeless	\$2,265,000
Additional support for family homeless shelters	\$255,953
Hygiene services for the homeless	\$154,810
<i>All budget adds</i>	<i>\$4,111,763</i>
<i>Total additional appropriations, with adoption of CB 118619</i>	<i>\$9,111,763</i>

Council's passed annual budget legislation in November 2015 that included an additional \$410,763 to HSD's 2016 budget for homeless services while approving the Mayor's proposed addition of about \$1.44 million for the same purpose. Also, Council set aside the \$2,265,000 in Finance General reserve to be released by future legislation to HSD for homeless services, pending Council's approval of the Executive's spending plan for the funds.

Attachment A: Green Sheet (GS) 136-1-C-2