

Homelessness Response

Staff: Jeff Simms, Traci Ratzliff, Brian Goodnight

Budget Summary (\$ in 000s)

	2021 Adopted	2022 Proposed	% Change
Appropriations by BSL			
Operating			
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 Care²</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 ³	\$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%
Total Appropriations¹	\$165,313	\$140,293	(15.1%)

¹ Numbers may not add up due to rounding.

² \$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.

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

I. Background

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

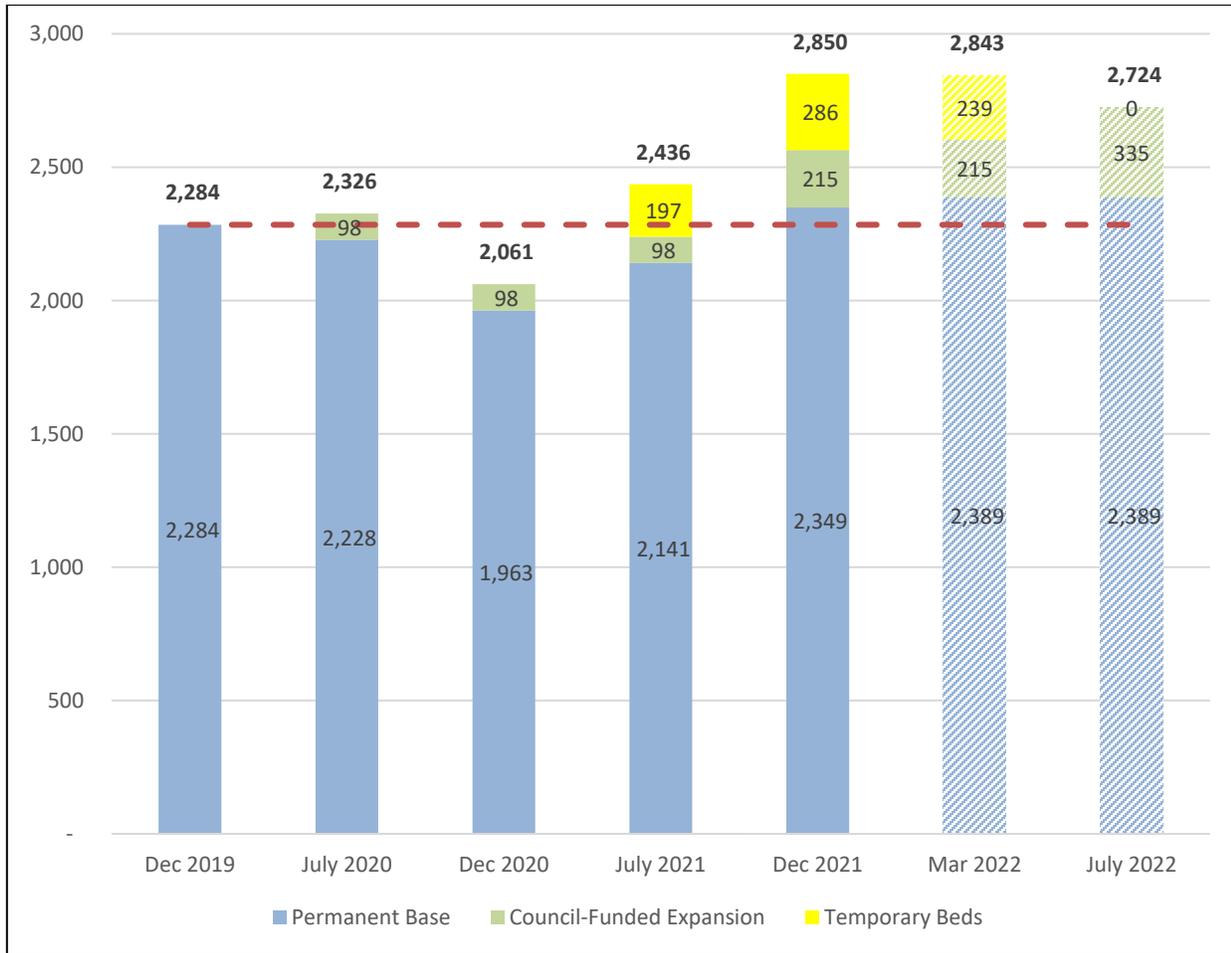
HSD’s 2022 Proposed Budget includes \$114.8 million for homelessness programs, a decrease of \$10 million compared to the 2021 Adopted Budget. Funding changes in the last year have substantially impacted the capacity of homelessness programs in the region, which affects components of the 2022 Proposed 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
Total		933	

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)

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%
Homelessness-Related Subtotal	\$9,173	\$10,750	17.2%
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%)
Clean City Initiative-Related Subtotal	\$3,157	\$3,311	4.9%
Other Clean City Programs	\$7,277	\$7,926	8.9%
Total	\$19,607	\$21,987	12.1%

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

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

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

² 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)

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

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)

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
Total	\$5,937	\$10,841

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
Total	\$2,033	\$5,820	\$7,853	\$6,237

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