

May 22, 2017

The Honorable Joe McDermott  
Chair, King County Council  
Room 1200  
C O U R T H O U S E

Dear Councilmember McDermott:

The voter-approved Veterans and Human Services Levy (VHSL) is set to expire December 31, 2017. With this letter, I am transmitting my plan to extend and expand that levy, a fund source I consider critical to the health and stability of our region. The Veterans, Seniors and Human Services Levy would replace the expiring VHSL and significantly strengthen our commitment to local veterans, active duty personnel and their families and other individuals and families in need throughout King County. The new levy would also add robust investments to support older adults and healthy aging.

Earlier this year, I sent to the members of the King County Council two reports: one that looked broadly at the goals, priorities and accomplishments of the current VHSL and potential future areas of emphasis, and a second report that focused on providing shelter and housing for homeless veterans utilizing VHSL funds. Those reports set the stage for the initial discussions about the future of the VHSL. I am pleased that both reports were favorably reviewed and accepted by the Council in March by Motion 14822 and Motion 14823.

Thanks to voter approval of the VHSL in 2005 and again in 2011, King County has made great progress in honoring our brave servicemen and women and supporting their successful transition home. Levy proceeds provided homeless and health care outreach and improved connections to behavioral health treatment, housing and other services to support the well-being of thousands of individuals and families across the County, including people who were struggling with homelessness. In addition, the levy brought regional partners together to work more efficiently and collaboratively to maximize our collective resources. Continuation of the levy is imperative to our quality of life in King County.

The current VHSL has been a remarkable success. It has served over 183,000 clients, including more than 30,000 veterans since its 2011 renewal. The levy is on track to serve more than 200,000 clients by the time it expires at the end of this year. The levy's strong record of performance has been regularly reported in VHSL annual reports. Those accomplishments have focused on three goals:

- **Goal One: Prevent and Reduce Homelessness.** Outreach programs have reached more than 8,800 homeless veterans, chronically homeless individuals and other homeless persons, helping thousands to move from homelessness to housing. Since 2006, the VHSL has contributed capital to the creation of 2,056 units of housing, including housing set aside for veterans and their families.
- **Goal Two: Reduce Unnecessary and Expensive Use of Emergency Rooms and Jails.** Investments that connect homeless people and people incarcerated or just released from jail to health, housing and human services in the community are essential to reducing recidivism, increasing stability, and controlling expensive emergency and justice system costs. A variety of services are funded by the levy to connect people to the services that break the cycles of hospitalization or re-offense and arrest. The Client Care Coordination program funding by the VHSL has tracked the cost-saving effects of providing housing and supportive services to high users of crisis and justice system services, identifying more than \$7 million in cost offsets.
- **Goal Three: Increase Self-sufficiency for Veterans and Vulnerable Populations.** Thanks to funding from the VHSL, we can be proud of the fact that our King County Veterans Program (KCVP) provides a significantly broader array of services to support our veterans, active duty personnel and their families than any other county in the state. The levy made it possible to enhance geographic accessibility, make case management and individualized assistance possible for veterans and their families, and greatly improve the system coordination of programs and services. In 2016, 128 veterans who received employment placement assistance from KCVP saw their annual household income increase by an average of \$27,963. That is a total of more than \$3.5 million in increased income in the first year, and the benefits of that increase will go on for years to come. The levy also increased access to post traumatic stress disorder and other trauma counseling, increased education and employment services to help veterans establish new careers, and supported a number of programs and services to strengthen families across the county.

The levy's success shows that we know what works to empower veterans and vulnerable populations. We also know there is more to do to bring the levy to scale and to improve access to opportunity for more of our residents. Our veterans continue to return home with unmet health and transitional needs, and the aging veteran population has an elevated rate of disability needs resulting from their military service. Housing costs continue to skyrocket beyond the affordability of low-income households and increasingly challenge the stability of moderate income households, forcing many to move farther and farther away from their jobs. We are making progress in our regional efforts, but homelessness remains a crisis.

At the same time needs here in King County are growing, uncertainty regarding federal sources of support prevails – there are concerns about the future of health and behavioral health care access and affordability, elimination of funding dedicated to low-income housing development and services for those who are homeless, deep cuts proposed to human services and particularly to programs for older adults, restrictions to freedom and civil and legal rights for immigrants and refugees, and an appalling lack of support for the principles of equity and social justice. These are issues that define our values and our vision for King County – a place where everyone deserves an opportunity to achieve his or her full potential.

Having begun the discussion about the future of the VHSL, we are now called to act. My plan draws heavily on the findings of the previous levy reports prepared for the Council. In collaboration with the levy oversight boards, staff reviewed current levy investments and researched and studied the changing demographics and emerging service needs in King County. Staff reached out to hundreds of stakeholders to hear their perspectives, hosted a series of community meetings throughout the County and posted an online survey so residents could share their thoughts. This review and outreach showed that the levy has made a tremendous impact in the lives of thousands of King County families and there is strong support for it not only to continue, but to expand to serve more of those in need.

Support for our veterans and their families came through in every community meeting and focus group. King County is deeply committed to ensuring that any veteran in need can access services to ensure a safe and successful transition to civilian life. We support our veterans because they have earned our support, but we also recognize that investing in veterans benefits us all. Veterans' experiences and perspectives equip them to contribute powerfully in our communities. The Veterans, Seniors and Human Services Levy reinforces our longstanding commitment to our veterans, their families, and our region as a whole.

Another area of concern, voiced repeatedly at community meetings and substantiated by staff research, was the lack of services and supports for our seniors. Fueled by the transition of baby boomers into their older years and increasing longevity, our region is rapidly aging. Over 18 percent of King County's population is over age 60 today. By 2040, one out of four residents will be a senior. Housing and services for older adults with low-income or moderate means are already stretched, and the aging boom has just begun. The rates of diabetes, heart disease and Alzheimer's disease are steadily climbing; 78 percent of local seniors today have one or more chronic health conditions. One in three persons age 65 or older has suffered a serious fall, often leading to hospitalization or expensive nursing care. Depression and isolation are dangers to health and well-being. Homelessness among older adults is on the rise.

Despite the approaching age wave, funding for senior services is in decline. The federal Older Americans Act and private philanthropy have recently reduced funding for seniors. With strategic and evidence-based investments to promote the most important contributors of healthy aging – social engagement, healthy behaviors, financial security, and housing – we can ensure our older residents continue to benefit from and contribute to the quality of life in our region. We can ensure that the men and women who taught generations of our children, built our transportation networks and who contribute to our rich cultural life in King County

can continue to live in the communities they worked so hard to create. We can be a place where our elders are able to age with dignity instead of aging into poverty.

Another issue almost universally voiced was the need to dedicate additional resources and effort toward our regional housing needs. Many of our residents need help to achieve and remain stable in housing. We need a strong regional affordable housing plan and funding to move people from homelessness to permanent homes, with access to the support services they need to ensure long-term stability. Housing is the cornerstone of stability. Housing is also a key component of our broader strategies to invest in health and human services. Reentry programs, recovery services and employment training all work best when residents can return to a safe place every night.

I appreciate the time that Councilmembers spent with staff over the past few months to discuss their priorities and concerns with regard to the expiring levy. Those discussions greatly influenced the final form of my proposal, a blueprint for a replacement levy that strives to meet the needs of our community now and in coming years.

I propose to renew and replace the existing levy with a regular property tax levy for six consecutive years beginning in 2018 at a rate of 12 cents per \$1,000 of assessed value. The proceeds will be deposited into one special revenue fund. If approved by the voters, the levy proceeds would make it possible to achieve the following:

- **Renew and double our commitment to our veterans, military personnel and their families** and ensure continuation and expansion of the case management, counseling, housing assistance, job training and care coordination that have stabilized the lives of thousands of veterans and families across King County since 2006.
- **Renew and double our commitment to regional human services** and continuation of funding to support emergency assistance, homeless outreach, shelter and housing to re-stabilize lives and rebuild self-reliance for survivors of domestic violence and sexual assault, homeless households and people with disabilities.
- **Establish a new commitment to older adults, their unpaid caregivers, and healthy aging**, and to promoting the financial security, housing, social engagement, health and well-being of our aging population by funding evidence-based programs that prevent illness and disability and lead to long-term healthy living and independence.

Addressing the central issue of housing affordability, the research is clear: housing is the foundation on which lives are built. In the absence of housing stability, other investments in human services are simply less effective. To improve housing access, I am proposing that 50 percent of first year proceeds be dedicated for capital and services that promote housing stability. In subsequent years, 25 percent of the proceeds from each of the designations will be dedicated to housing investments for veterans, seniors and vulnerable populations.

My plan envisions the continuation of resident oversight boards, which have proved so valuable for the previous levies. The *Veterans, Seniors and Human Services Levy: Blueprint Report* that accompanies this transmittal describes in greater detail a process to explore how the current oversight boards might adapt to the form of the new levy. In developing a proposal for governance, I've directed staff to consider how integrating the two current veterans-related boards into one board can elevate a unified voice to advising the County on veterans matters. I propose continuation of the current regional human services board, while directing staff to consider how to increase the voice of affected populations in levy governance. Oversight of levy funds for seniors will be ensured through a new board to be formed of leaders and experts in services for older adults as well as members of the community with lived experience. I've asked staff to ensure that a new board for matters affecting older adults is complementary to the existing board that advises the Area Agency on Aging. I will transmit a governance plan for review by the Council no later than August 23, 2017.

I will also send to the Council for its review and approval later this year a transition plan and early next year an implementation plan to direct the new levy's expenditures. These plans will align closely with the King County Strategic Plan and the Equity and Social Justice Initiative as well as with the Best Starts for Kids and Mental Illness and Drug Dependency implementation plans. They will incorporate changes and emerging needs in our community, consider state and federal funding issues, and continue to promote innovative and evidence-based service models. The implementation plan will also include a clear performance measurement and evaluation plan. The enclosed Blueprint Report provides a proposed timeline for how we can proceed together to create plans worthy of the populations they will serve.

I am also working with King County Assessor John Arthur Wilson to ask the Legislature to allow local governments to exempt lower-income households of seniors, people who are retired due to disability, or veterans who have a total disability rating to ensure that we are lessening the impact associated with property tax increases on those populations. Until the Legislature acts, King County will offer full rebates of the cost of this proposed levy to qualified seniors, veterans and people with disabilities. And we'll also support an intensified effort to identify seniors, persons with disabilities and veterans who are eligible for property tax exemptions that already exist and help them apply.

The levy has improved lives and empowered thousands of veterans and other individuals and families across our region. We have the opportunity to do so much more, moving our region forward and upholding the promise that we are a community of hope and opportunity for all. I urge the Council's support for the Veterans, Seniors and Human Services Levy.

The Honorable Joe McDermott

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Please feel free to contact Adrienne Quinn, Department of Community and Human Services Director, at 206-263-9100, with any questions that you may have.

Sincerely,

A handwritten signature in black ink, reading "Dow Constantine". The signature is fluid and cursive, with the first name "Dow" being more prominent and the last name "Constantine" following in a similar style.

Dow Constantine

King County Executive

Enclosures

cc: King County Councilmembers

ATTN: Carolyn Busch, Chief of Staff

Melani Pedroza, Acting Clerk of the Council

Dwight Dively, Director, Office of Performance, Strategy and Budget

Carrie S. Cihak, Chief of Policy Development, King County Executive Office

Adrienne Quinn, Director, Department of Community and Human Services