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 CLERK
 KING COUNTY COUNCIL

October 13, 2009

 The Honorable Dow Constantine
 Chair, King County Council
 Room 1200
 COURTHOUSE

Dear Councilmember Constantine:

Pursuant to Motion 12566 passed by the King County Council on August 20, 2007, enclosed for council review is the Homeless Housing and Services Fund (HHSF) 2009 Progress Report. This progress report provides information on the status of all funding rounds and implemented contracts through the end of 2008, and fulfills the requirements of Motion 12566, which states:

The metropolitan King County council approves the updated policies and procedures to guide future allocations and awards of the King County homeless housing and services fund beginning with the 2007 funding round. As authorized by chapter 43.185C RCW, the council authorizes the Committee to End Homelessness in King County, in coordination with the department of community and human services, to proceed with the implementation of those policies and procedures, and to provide informational updates to the council every two years.

I am pleased to share with you the progress that has been made by the HHSF projects highlighted in the enclosed report. The personal stories of clients served by HHSF and its nonprofit partners clearly illustrate how HHSF dollars have been utilized to improve the lives of chronically homeless individuals, veterans, families with children, young adults, and single adults in our community.

The progress report includes a brief history of the HHSF, information about our funding partners, analysis of program outcomes and results, details on the development of best practices and lessons learned, and highlights from each of the HHSF projects in operation before December 31, 2008. It will be shared with the broader community, including the Committee to End Homelessness in King County (CEHKC), nonprofit organizations serving homeless people, and regional funding partners.

Background

Over the past four years, the Washington State Legislature has authorized a series of document recording fee surcharges to be used to implement state and local plans to end homelessness. In King County, the surcharge revenue is called the Homeless Housing and Services Fund, administered by the Department of Community and Human Services (DCHS) in conjunction with other housing and services funding efforts. Other King County sources coordinated with the HHSF include Veterans and Humans Services (VHS) Levy funds for homeless housing and King County Mental Illness and Drug Dependency (MIDD) sales tax collections for supportive services and housing.

The HHSF was created with the passage of Engrossed Second Substitute House Bill 2163 (House Bill 2163) in 2005, which authorized a dedicated revenue source in support of state and local plans to end homelessness. House Bill 2163 authorized a new \$10 document recording fee surcharge, and directed that 60 percent of the revenue collected remain with the county and that 40 percent be remitted to the state for homeless housing initiatives. In King County, this has amounted to approximately \$2.5 million per year for the creation of new permanent supportive housing resources for homeless households.

On September 1, 2005, the council unanimously approved Ordinance 15284, adopting “A Roof Over Every Bed in King County: Our Community’s Ten-Year Plan to End Homelessness” (Ten Year Plan). This ordinance designated the CEHKC as the local homeless housing task force responsible for coordinating our region’s implementation of the plan, and for working with DCHS to recommend policies, procedures, and priorities for the allocation of House Bill 2163 revenues.

Under the direction of the CEHKC Governing Board, an extensive community-wide planning process produced recommended policies, priorities, and procedures that embodied the core principles now utilized to administer this fund. On May 1, 2006, those policies were adopted in council Motion 12279. In 2007, a report on the first year of HHSF activity was presented to the council, and HHSF policies were further updated and approved in Motion 12566.

In 2007, an additional document recording fee surcharge in support of local ten year plans was passed with House Bill 1359; and in 2009, the amount of the original surcharge fee in support of local ten year plans was increased for a period of four years with the passage of House Bill 2331. It is estimated that the total surcharge revenue will provide approximately \$6 million each year for the next four years, and \$3 million thereafter for the creation of new units of permanent housing with support services for homeless households in support of Ten Year Plan goals.

Since its inception, this fund has created permanent housing by matching new and existing units with rental assistance, operating support, case management, and client assistance. Services and housing have been provided to nearly 2,000 homeless persons, including young adults and families with children, to support them in their transition to housing stability.

The HHSF dollars have been paired with and enhanced by other funding sources in order to better align regional funding priorities, completely fund priority projects, and maximize the impact of limited resources in our community. Funding for homeless housing is coordinated among many local partners, including the City of Seattle Office of Housing, the King County Housing Authority (KCHA), the Seattle Housing Authority (SHA), United Way of King County, the City of Seattle Human Services Department, and the Washington Families Fund.

The first report to the council in 2007 detailed the first two rounds of funding, which took place in 2006. Since that time, two subsequent funding rounds have been completed and local funding partners recently released the 2009 combined Notice of Funding Availability (NOFA) for homeless housing in mid-July.

The four completed HHSF competitive funding rounds awarded a total amount of \$17.5 million, and resulted in 39 contracts for distinct projects managed by 22 nonprofit service agencies working to end homelessness in King County. These 39 projects provide rental assistance and case management services to a variety of populations, including chronically homeless individuals, veterans, families with children, young adults, and single adults.

Funding

In conjunction with other funding partners, the HHSF has leveraged over \$17 million for its funding rounds, used for rental assistance, operating support and supportive services. In addition, hundreds of valuable Section 8 subsidies have been contributed by the housing authorities. The coordination afforded by the HHSF has greatly enhanced our region's ability to meet the needs of homeless households. Detail on all HHSF projects funded to date is provided in a chart in the progress report. A summary of the funding associated with HHSF projects includes the following:

- HHSF has contributed \$18.8 million (2006 – 2009) to homeless efforts
- King County Housing Authority has contributed \$4 million in Section 8 subsidies (2006 – 2009)
- Seattle Housing Authority has contributed \$3.85 million in Section 8 subsidies (2006 – 2009)
- MIDD funding has contributed \$2 million (2008)
- VHS Levy has contributed \$4.5 million (2007 – 2009)
- United Way of King County has contributed \$3.1 million (2008 – 2009).

Awards and Outcomes

The report provides data and project-specific information on the 29 distinct projects funded through the end of 2008. A total of \$12.2 million in HHSF allocated to these 29 projects has created 665 units of permanent housing for homeless households; and utilized 178 Section 8 subsidies from the KCHA and the SHA. These funds have enabled nonprofit service providers to place 754 households in permanent housing, and to support 92 percent of those households in

maintaining housing for at least one year. In addition, these projects have provided over 50,000 hours of case management service to nearly 2,000 clients in need.

Of the 29 projects funded, 13 provide services to families, 11 provide services to single adults, and five provide services to young adults. Because of the high number of families receiving services, 28 percent of all clients served are children under the age of 18. Approximately 50 percent of all clients served are female, over 30 percent of all clients served are living with disabilities and 14 percent of all clients are immigrants or refugees.

Because of the difficult circumstances faced by the clients served by these programs, it is inevitable that some will drop out of services early, or will leave permanent housing once they have been placed. Of the HHSF clients who left permanent housing, nearly half (46 percent) exited to other permanent housing options. These clients are viewed as successful because they are usually choosing to enter the private rental market and live more independently. Clients will occasionally exit a program or disappear without notice and, unfortunately, some return to homelessness despite the best efforts of agency staff. It is hoped that these clients will eventually find their way into programs that better suit their needs and lifestyles.

Clients served by HHSF programs come from all over King County. A large number (46.9 percent) come from downtown Seattle, where many have been living on the streets or in shelters. There are also a significant number of HHSF clients (37.6 percent) emerging from homelessness in South King County. While there are not as many clients served from East and North King County, HHSF has funded a number of agencies dedicated to helping people in these areas. The HHSF programs serve a high proportion of African American clients (38.3 percent) and Caucasian clients (33.6 percent), with other groups comprising the remaining 28.1 percent of the client population. The report provides details on the demographics of clients served.

Development of Best Practices

The HHSF has allowed King County, our funding partners, and homeless service providers to explore best practices for serving homeless populations and implement a number of innovative programs. The report highlights two of them: the Landlord Liaison Project (LLP) managed by the YWCA, and the Rapid Re-Housing for Homeless Families (RRHF) project managed by Family Services and Solid Ground.

Landlord Liaison Project – To end homelessness in our region, we cannot rely on building new homeless housing as there are limited funds available for constructing this type of housing. Therefore, it is necessary to make existing housing available to the homeless households.

The LLP was developed to work regionally with landlords, partner service agencies, and prospective renters countywide to secure permanent housing for homeless households in existing units, where previously they might not have been welcomed. The LLP coordinates with landlords to make units available to clients with barriers to securing rental housing, such as a criminal record, record of a previous eviction, or negative credit history. The LLP reassures

landlords by providing ongoing case management services, a 24-hour support hotline, access to resources to prevent loss of housing, and the availability of a Landlord Risk Reduction Fund to cover unexpected costs (such as physical damage to a rental unit). The LLP is jointly funded by King County, the City of Seattle, United Way of King County, and the VHS Levy.

Landlords benefit from this program because they are able to fill vacancies more quickly, depend on lower turnover in their units, assume fewer financial risks, and know that they are contributing to the effort to end homelessness in King County. Agencies benefit because they receive assistance from the LLP in securing rental housing options for their clients, as well as improved communication with landlords. Finally, clients benefit because they receive more rental options, access to eviction prevention resources, training on how to be a successful tenant, and an opportunity to build a successful rental history and a positive landlord reference.

The LLP officially began operations in January 2009 and housed the first client in March. As of June 30, 2009, LLP has housed 30 households and is currently helping a number of new applicants. There are now 24 partner agencies working with the program and 61 landlords have signed up to house LLP clients. The LLP continues to meet with potential landlords in the community and attend landlord forums and sponsored events to educate them about this important resource, and has hosted numerous trainings for landlords, social service providers, and prospective clients.

Ironically, the tough economy has created an opportunity for the LLP. As landlords struggle with vacancies and decreasing rents, the benefits of participation have become even more evident. The LLP team is working to build strong relationships with landlords that will last for many years beyond the current economic crisis.

Rapid Re-Housing for Homeless Families – The HHSF currently provides funding for a number of projects serving homeless families in King County. Families served by these projects have high needs and face many barriers to housing stability, including domestic violence, histories of substance abuse, mental health issues, unemployment, outstanding debts, and/or criminal backgrounds.

Federal stimulus funds were made available in 2009 to test a model for serving homeless families with moderate needs. These families primarily face economic barriers to housing stability and face fewer obstacles to renting in the private market. The goal is to lessen the amount of time families spend in the homeless system, by moving them quickly from emergency shelter to permanent housing. With the help of intensive, time-limited case management, they will develop a plan to sufficiently increase their income to pay market-rate rent at the end of the subsidy period.

The RRHF project was developed to meet the needs of this particular group of families. The RRHF is designed to serve 40 homeless families per year and provide them with up to 18 months of rental assistance, onsite case management, and comprehensive employment and education services. The federal American Recovery and Reinvestment Act funds will be paired

with local United Way, HHSF, and the VHS Levy funding, in order to create a comprehensive housing and service package that will stabilize families quickly.

The RRHF project will ensure that households with dependent children are in the homeless system for as brief a period of time as possible. Shelter providers in King County will identify families using a standardized screening tool currently under development. Housing options for the project participants will be offered through the LLP. Case management will initially focus on helping households stabilize in housing, and then progress to assisting families to develop the skills and resources necessary to maintain housing once the subsidy ends. Families will also meet with an employment case manager from the King County Work Training Program who will assist them in enrolling in a training program, obtaining an education credential, finding employment, or finding other employment retention services.

Lessons Learned/Next Steps

King County has learned many important lessons with respect to regional coordination.

1. Importance of a coordinated application and funding process. King County has made changes to its application requirements and the process itself, in order to better meet the needs of agencies and funders alike. It has become clear that one common application form is a useful tool for agencies and funders, as it streamlines the process of awarding funds from multiple sources. It also facilitates the process of providing complete funding to projects by enabling funders to coordinate their priorities.
2. Importance of landlord relationships. After the first funding rounds for the HHSF were conducted, a major programmatic issue emerged related to the ability to secure units in the private rental market for homeless households. Many agencies had significant difficulty engaging with landlords, especially for high needs populations. It was also difficult to secure several units in a single building, which is a requirement for certain housing subsidies, such as Section 8 project-based vouchers. This issue led to the development of the LLP.
3. Pre-commitments of HHSF operating support and supportive services funding. In 2008, the HHSF began making pre-commitments to permanent supportive housing projects that had been awarded capital funds, but needed to secure funds for the supportive services and operating support in order to be completely funded. Nonprofit housing providers commonly utilize tax credits in order to finance large capital projects, which incentivize private investors to support the development of affordable housing. However, the tax credit market has become more difficult to access. The HHSF pre-commitments have helped agencies to adhere to established project timelines and find efficiencies to meet the demands of their funders, and also encouraged agencies to plan ahead and develop clear service proposals for the populations being served.
4. Increased demands on limited resources. In the last year, the real estate market downtown led to a decrease in document recording fee surcharge revenues, which will create an increased demand on limited resources in the coming years. The HHSF projects receive multi-year funding awards (generally five year awards), and several projects will be coming up for renewal in 2011. At the same time, there are a number of

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capital projects currently being developed that will need HHSF dollars to cover their services and operating packages. These renewals and new projects coming online will be competing for scarce HHSF resources in 2011 and future years. County staff is carefully analyzing these issues in order to plan for the most efficient and beneficial use of our limited resources in the coming years, in order to meet the goals of the Ten Year Plan.

Conclusion

The HHSF has provided a great deal of support to our community and has allowed King County, our funding partners, and homeless service providers to create innovative programs and explore best practices for serving homeless populations. It is crucial that our community be able to continue to test and implement new practices and programs, in order to provide the best array of services to homeless persons and households and break the cycle of homelessness.

The HHSF has been at the center point of coordinating local funding award processes in order to align priorities, eliminate duplication, and leverage critical local, state and federal dollars to maximize all precious resources. The 2009 Progress Report provides dozens of examples of the projects being implemented to change lives and end homelessness in our community.

If you have any questions, please feel free to contact Jackie MacLean, Director of the Department of Community and Human Services, at 206-263-9100.

Sincerely,



Kurt Triplett
King County Executive

Enclosure

cc: King County Councilmembers
ATTN: Tom Bristow, Chief of Staff
Anne Noris, Clerk of the Council
Frank Abe, Communications Director
Beth Goldberg, Deputy Director, Office of Management and Budget
Jackie MacLean, Director, Department of Community and Human Services (DCHS)
Linda Peterson, Director, Community Services Division, DCHS
Bill Block, Director, Committee to End Homelessness in King County, DCHS

