

## **Overview and Initial Issues Identification One-Time Funding for Homeless Alternatives**

Staff: Traci Ratzliff

Date Prepared: October 21, 2011

### **Introduction:**

In early 2011, the Mayor proposed spending \$620,000 of proceeds from the Sunny Jim Insurance Settlement on the one-time costs associated with a two year transitional encampment pilot program that would have been located at an industrial site on Airport Way. This proposal had a number of implementation challenges and policy concerns that led the Council to adopt Resolution 31292. This resolution created a work plan and timeline for analyzing alternatives to the Mayor's proposal that could meet the long term housing and immediate survival and safety needs of homeless people in Seattle who do not have access to safe shelter.

The Council wished to look at different approaches to addressing homelessness that could be implemented more quickly than the Mayor's proposal in order to meet the needs of the City's homeless. The Council's review was to examine the legal and policy constraints, feasibility, and costs for each alternative.

Council Staff completed the report "Alternatives for Homeless Services Response to Resolution #31292" on September 8, 2011. A number of potential alternatives that could be implemented and/or were already in the process of implementation were identified in this report. The Council's report was informed by the goals and policies of the Region's Ten Year Plan to End Homelessness (The Plan to End Homelessness) and the recently completed Mid-Plan (5 year) Review Report. Many City and regional stakeholders, including service providers, homeless and formerly homeless individuals, program and policy staff, religious organizations, business professionals and others were involved in the development of the original Plan to End Homelessness and in the Mid-Plan Review. The Plan to End Homelessness and Mid-Plan Review give priority to development of permanent housing and/or provision of rental assistance, as well as activities, that prevent homelessness. Provision of shelter is not a priority in these plans, as shelter does not prevent or end homelessness for individuals. Several of the alternatives included in the Council's report align with the priorities of the Plan to End Homelessness and Mid-Plan Review, and several do not.

Some of the alternatives require City funding (General Fund or Housing Levy) to implement and others do not. For example, the City is currently working with the Seattle Union Gospel Mission (SUGM) and local stakeholders regarding a proposal from SUGM to operate a winter only shelter for men and women at Fire Station 39 in Lake City at no cost to the City.

See Attachment 1 for detailed summary of potential alternatives included in the Council's report as of September 8th. The document does not reflect changes or actions that may have occurred since that date.

The Council had hoped that a substantial portion of funding from the Sunny Jim Insurance Settlement would be available to fund viable alternatives identified in the Council's report. However, the Mayor's 2012 Proposed Budget would expend all of these funds (totaling \$1.9 million) on capital improvements to six city-owned facilities. [Note: a specific discussion of the these six proposed repair projects will be presented as part of staffs issue paper regarding major maintenance of City Buildings with Mutually Offsetting Benefit Leases.]

**Options:**

- A. Does Council want to provide one-time funding for one or more potential alternatives for homeless services identified in the Council report? If so, which of the alternatives would Council desire to fund? The alternatives requiring City funding that are most clearly aligned with The Plan to End Homelessness and the Mid-Plan Review include:
- 1) Long-term redevelopment of Fire Station 39 into low-income housing and potentially services for homeless people - \$\$ TBD;
  - 2) Provide Additional Funding for Rental Assistance. Funds could be provided for the Rapid Rehousing Program that places homeless individuals and families in housing. This program was supported by Federal funding that will end in 2012 - \$\$ TBD.

Additional alternatives explored in the Council report that are proposed for funding include:

- 3) Car Camping Pilot Project in Ballard - \$20,000 for case management services;
  - 4) Funding to support potential infrastructure needs at the unpermitted encampment on Marginal Way - \$\$ TBD.
- B. Does Council want to consider funding other options not included in the Council report? These include the following:
- 1) An Opportunity Fund for faith-based communities to finance one-time capital costs associated with providing shelter or other homeless services at religious facilities – \$\$ TBD;
  - 2) Additional funding for the Human Services Department’s 2012 Shelter and Transitional Housing Request For Proposal that would require shelter or housing providers to include linkages to outreach services for unsheltered individuals - \$\$ TBD.

**Attachment 1**  
**Alternatives for Homeless Services**  
**Response to Resolution #31292**

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
<p><b>1. Renovate FS 39 for shelter or low-income housing development</b></p>	<p><b>Shelter:</b> Seattle Union Gospel Mission (SUGM) submitted proposal to provide shelter and services for a maximum of 100 people at FS 39. Shelter would operate for up to 3 years. Clients assisted to access shelter, addiction treatment, education, employment and other services leading to placement in housing.</p> <p><b>Populations served:</b> Homeless families, medically fragile homeless, single adults</p> <p><b>Low Income Housing:</b> Preliminary discussions have taken place about development of site as low-income housing for homeless.</p> <p><b>Populations served:</b> Not determined</p>	<p><b>Shelter - One -time:</b> \$800,000 – \$950,000 for required health and safety building improvements.</p> <p><b>Shelter - Ongoing:</b> None. SUGM will cover operating, staffing and services costs for shelter (estimated at \$300k a year).</p> <p><b>Low-Income Housing – One-time and Ongoing:</b> Not yet determined</p>	<p><b>Shelter:</b> Appropriation Ordinance required for Finance and Administrative Services (FAS) to fund and make improvements at FS 39 and lease facility to SUGM for shelter. No Land Use Code changes needed.</p> <p>Shelter proposal would provide shelter and services to individuals or families who do not have access to such services. SUGM proposal provides linkages to services, including housing, so could assist clients to secure permanent housing.</p> <p><b>Low-Income Housing:</b> No Land Use Code changes needed.</p> <p>If housing project targeted to assist homeless people, it would provide housing for those who do not have access to shelter or housing services.</p> <p>Ten Year Plan to End Homelessness gives priority to efforts that prevent or end homelessness. Includes key goals for development of permanent housing for homeless. Expansion of shelter not priority. The Mid-Plan (5 year) Review Report for the Plan to End Homelessness recommends that in areas with high number of shelter beds, the focus of investment should be on helping people leave shelter, not on creating new shelter beds. Human Services Department’s (HSD’s) Statement of Legislative Intent (SLI) response “City of Seattle Investments in Shelter Programs, May 2011” also highlights need for more affordable housing and/or rental assistance.</p>	<p><b>Shelter –</b> Review of proposal in progress.</p> <p><b>Low-Income Housing –</b> Undetermined. General timeline for completion of housing project is three years.</p>

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
<p><b>2. Work with faith-based communities to support shelter space in church buildings or parking lots or on leased land.</b></p>	<p><b>A. Increase Support of Faith-Based Communities to Work on Ending Homelessness</b></p> <p>Catholic Community Services hired by Committee to End Homelessness (CEH) to educate and encourage faith-based communities to participate in the provision of shelter, housing, and other services for homeless. CCS has begun this work that will continue through 2012. CCS working with churches in Seattle on development of day services and overnight shelter for families.</p> <p><b>Populations served:</b> Homeless individuals, families.</p> <p><b>B. Car Camping in Church Parking Lot</b></p> <p>Church in Ballard exploring implementation of Safe Parking Pilot Program. Program would allow 3-5 homeless individuals or families to live in cars in church parking lot 24 hours a day. Case management services would be provided to assist clients' access resources or services needed to secure and maintain permanent housing. Non-profit partner needed to implement. Funding needed to implement the proposal.</p> <p><b>Populations served:</b> Homeless individuals and families</p>	<p>None</p> <p>\$20,000 estimated annual operating cost (Partial funding may be available from the State).</p>	<p>Case law affirms right of religious organizations to provide shelter and other aid to homeless on church-owned property.</p> <p>Plan to End Homelessness envisions involvement of faith communities, government, businesses, civic groups, charitable institutions and other partners to prevent or end homelessness. Religious organizations have financial resources, facilities, and members to help achieve these goals. Targeted efforts to encourage faith-based groups to support provision of housing and services for our region's homeless is valuable.</p> <p>Efforts could meet shelter or housing needs of individuals or families who do not have access to such services.</p> <p>Car camping in parking lots owned by religious organizations or other entities not currently addressed in City's Land Use Code. However, as noted above, case law affirms right of religious organizations to provide shelter and other aid to homeless on church-owned property. Proposal to authorize car camping could include specific health and safety requirements.</p> <p>As noted above, Plan to End Homelessness gives priority to development of permanent housing. Expansion of shelter not priority. Religious organizations could fund activity with own organizational resources and without City financial assistance. City could continue to invest new or reallocated funds on key priorities of the Plan to End Homelessness.</p> <p>Proposal would meet shelter needs of individuals or families who do not have access to such services. If linkages are made to services, including housing, program could also provide access to long term housing for such individuals or families.</p>	<p>Project underway and will continue through 2012.</p> <p>In progress</p>

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
	<p><b>C. Authorizing transitional encampments on properties owned or occupied by religious organizations</b></p> <p>Proposed legislation amends Land Use Code to authorize transitional encampments on sites owned or occupied by religious organization in all land use zones of City. Legislation includes standards for operating encampment including site management and operations, maintenance, health, safety, and hygiene. A maximum of 100 residents allowed at an encampment site.</p> <p><b>Populations served:</b> Homeless individuals and families</p>	None	<p>City's existing Land Use Code prohibits encampments except through temporary use permit. If proposed legislation adopted, a transitional encampment would be authorized on a site in any land use zone if the established principal use of the site is as a religious facility. Religious facilities are currently allowed in all land use zones in City. In addition, as noted above, case law affirms right of religious organizations to provide shelter and other aid to homeless on church-owned property.</p> <p>As noted above, Plan to End Homelessness gives priority to development of permanent housing. Expansion of shelter not priority. Religious organizations could fund encampments without City financial assistance. City could continue to invest funds in key priorities of Plan to End Homelessness.</p> <p>Encampments meet the immediate need for shelter for individuals or families who do not have access to such services. If appropriate linkages made to services and housing, program could also provide access to long term housing for such individuals or families.</p>	Legislation submitted to Council. Action expected in late September.
<p><b>3. Acquire Hotel/Motel for transitional or permanent housing</b></p>	<p>Properties along Aurora Avenue available for sale or lease. A non-profit developer has submitted a proposal for new construction housing project serving homeless at one of these properties to the City's Fall Housing Levy Notice of Funding Availability (NOFA) process.</p> <p><b>Populations served:</b> Homeless individuals and/or formerly homeless individuals ready to transition to permanent housing.</p>	Housing Levy eligible source for proposed project. Funding request under review.	<p>As noted above, Plan to End Homelessness gives priority to development of permanent housing. Redeveloping hotel/motel property to create additional homeless housing consistent with this priority.</p> <p>If proposed housing project targeted to assist homeless people living on the streets, would meet the need for shelter or housing for individuals or families who do not have access to such services.</p>	Proposal submitted to City. Funding decision in October or November 2011. General timeline for completion of housing project is three years.

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
<p><b>4. Provide Additional Funding for Rent Assistance or Vouchers</b></p>	<p>City uses federal funds, City General Funds and Housing Levy Funds to implement Homeless Prevention and Rapid Re-Housing Programs. Programs provide case management services and assistance for rent payments, move-in costs, security or utility deposits or payments, past due rent, to help prevent individuals and families from becoming homeless or to help homeless get into housing. Average cost for Homelessness Prevention - \$2,450 per household. Average cost for Rapid Re-Housing - \$6,025 – \$7,650 per household.</p> <p><b>Populations served:</b> Families and Individuals who are homeless or at risk of homelessness.</p>	<p>\$250,000 could prevent a minimum of 102 households from becoming homeless or potentially re-house a minimum of 32 - 41 individuals or families.</p>	<p>As noted above, Plan to End Homelessness and Mid-Plan Review gives priority to development of permanent housing and/or provision of rental assistance. City’s program modeled after successful initiatives operating nationally.</p> <p>Additional rental assistance funding may be fastest way to increase availability of housing for homeless individuals who do not have shelter or housing or to prevent those at risk of homelessness from becoming homeless.</p>	<p>Funding could be allocated quickly.</p>
<p><b>5. Consider Siting an Encampment at Location Other than Sunny Jim Site</b></p>	<p><b>Mayor’s Proposed Encampment Program:</b> Mayor proposed City-owned “Sunny Jim” property for two year transitional encampment pilot program. Site currently zoned for industrial use and requires changes to Comprehensive Plan and Land Use Code to legally permit encampment on such land. Agency would be selected to operate encampment and provide services to residents designed to build independent living skills, increase income and help individuals move to self-sufficiency &amp; stable housing. Operator would work with residents to involve in policy development and programming at encampment. Residents could assist with day-to-day management of the encampment.</p> <p><b>Populations served:</b> Homeless Individuals</p>	<p><b>One-time Costs:</b> \$920,366 (approximately) for site preparation, trailer installation, and utility hook-ups.</p> <p><b>Ongoing Costs (annualized):</b> \$273,282 operating contract, including case management services and utility costs.</p>	<p>City’s existing Land Use Code does not permit transitional encampments except through the issuance of temporary use permit. Changes to the City’s Comprehensive Plan and Land Use Code required to legally permit encampments on industrially and commercially-zoned land. City has severely limited the use of industrial property for most residential uses due to the limited amount of property available for industrial purposes.</p> <p>Councilmember Licata has proposed amendment to the Comprehensive Plan that would establish the policy framework for authorizing encampments as allowable land use in all zones in the City, including industrial and commercial zones.</p> <p>As noted above, Plan to End Homelessness and the Mid-Plan Review give priority to development of permanent housing and/or provision of rental assistance. Expanding shelter facilities not a priority.</p> <p>Encampments meet immediate need for shelter for individuals or families without access to such services. If appropriate linkages are made to services, including housing, such programs could also provide access to long-term housing for these individuals or families.</p>	<p>Council consideration of changes to the Comprehensive Plan authorizing encampments will occur at the end of March 2012.</p>

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
	<p><b>Mayor’s Citizen’s Review Panel on Housing and Services Recommendation:</b>  Panel recommended that City sanction and offer property for self-governed, semi-permanent encampment to meet the immediate survival and safety needs of individuals who do not have access to safe shelter.</p> <p>Encampment should be placed at a location with reasonable access to key services such as transportation. Semi-industrial area acceptable if the neighbors supportive. Three potential sites identified. Sunny Jim site was not one of three. Two sites zoned for industrial use, one for commercial use. All sites require the same zoning and Comprehensive Plan changes as required for the Sunny Jim site.</p> <p>Current location of the Nicklesville encampment is at 7126 West Marginal Way. Site zoned for industrial use and would require the same Comprehensive Plan and zoning changes as for the Sunny Jim, and other sites. In addition, the West Marginal Way site has potential contamination, as identified in a 2009 Phase I Environmental Review Study.</p> <p><b>Populations served:</b> Homeless Individuals</p>	<p><b>One-time Costs:</b> Unknown</p> <p><b>Ongoing costs (annualized):</b> \$36,000 (excludes staffing costs and bus tickets) - \$57,600 (includes staffing costs and bus tickets). Information included in Citizen’s panel report &amp; based on Tent City and Nicklesville costs.</p>	<p>As above for Mayor’s proposed encampment program</p> <p>In addition, the Mayor’s Citizen Review Panel on Encampments specifically urged the City “to weigh the costs of encampments against other potential investments that may have equal or greater positive impact in the lives of individuals experiencing homeless”. Panel stated that “an encampment should never be considered a long-term solution to homelessness” and urged the City “to continue to pursue real, lasting and permanent solutions to homelessness .”</p>	<p>Same as for Mayor’s proposed encampment program.</p>
<p><b>6. Consider modifying the City’s existing shelter service contracts to incorporate best practices and address any opportunities for strengthening investment outcomes</b></p>	<p>HSD’s SLI response and Mid-Plan Review identify potential improvements to City-funded shelter system, including:</p> <p><b>A. City funded shelters must help clients move from homelessness to housing.</b> Establishing performance-based contracts making housing placement outcomes explicit priority should be examined. Also need to explore how shelter providers can strengthen provision of services and linkages to housing for their clients.</p>	<p>To Be Determined. Some options would have additional costs to implement.</p>	<p>Proposed actions consistent with Plan to End Homelessness and/or Mid-Plan Review. HSD is exploring these options further with stakeholders as they discuss &amp; develop plan for investments in shelter, transitional housing, day/hygiene centers, and other supports for homeless individuals and families.</p> <p>Several of the options under consideration could meet need for shelter or housing for individuals or families who do not have access to such services.</p>	<p>HSD’s plan for investments in shelter, transitional housing, day/hygiene centers and other supports expected in November 2011.</p>

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
	<p><b>B. City and region need to explore development of coordinated assessment, referral, and entry program for single adults.</b> Effective central or coordinated entry system provides individuals with information and referral for shelter and housing. At central intake location, individuals receive assessment and referral to appropriate services, shelter, and housing.</p> <p><b>C. City needs to explore requiring all shelter providers to enter data directly into Safe Harbors Homeless Management Information System (HMIS).</b> City allows subset of providers to submit data collected using their own computer systems. Data quality is poor and City staff is needed to deal with data quality and submittal issues. Direct entry of data would likely improve quality and timeliness and may reduce staff time required to support the data integration process.</p> <p><b>D. City should collect and analyze data on needs of the homeless to gauge the level of demand for 24-hour shelter beds</b> for specific subpopulations, including working homeless, the medically-fragile, frail and elderly individuals. Limited shelter operating hours may restrict ability of providers to deliver holistic services that support individuals in achieving greater stability. The capacity to provide 24-hour shelter and on-site services varies from program to program.</p> <p><b>E. Resources need to continue to be invested in development of affordable housing, rental assistance programs, and services to allow people to transition from homelessness to housing.</b> Individuals have successfully moved from shelter to</p>			

Option	Description	Financial Implications	Legal/Policy Issues	Timeline
	stable housing. More affordable housing, employment, transportation and other services needed to move out of homelessness.			