

# KCRHA 2023 Budget

May 27, 2022

*Special Meeting, Governing Committee*



**KCRHA**  
King County Regional Homelessness Authority

## Agenda

1. Organizational updates
2. Data
3. Planning
4. Current System Analysis
5. 2022 Approved Budget
6. 2023 Priority Incremental Changes
7. 2023 Additional Incremental Changes to Consider
8. 2023 Budget Proposal
9. Discussion



# May 24th Action Taken by Implementation Board

Authorize the RHA to submit the 2023 Budget Proposal to the City of Seattle and King County for Consideration

## Item for Action by the Governing Committee

1. Approve Action taken by Implementation Board
  - Authorize the RHA to submit the 2023 Budget Proposal to the City of Seattle and King County for Consideration
  - Requires a two-thirds vote



## Agenda

### **1. Organizational Updates**

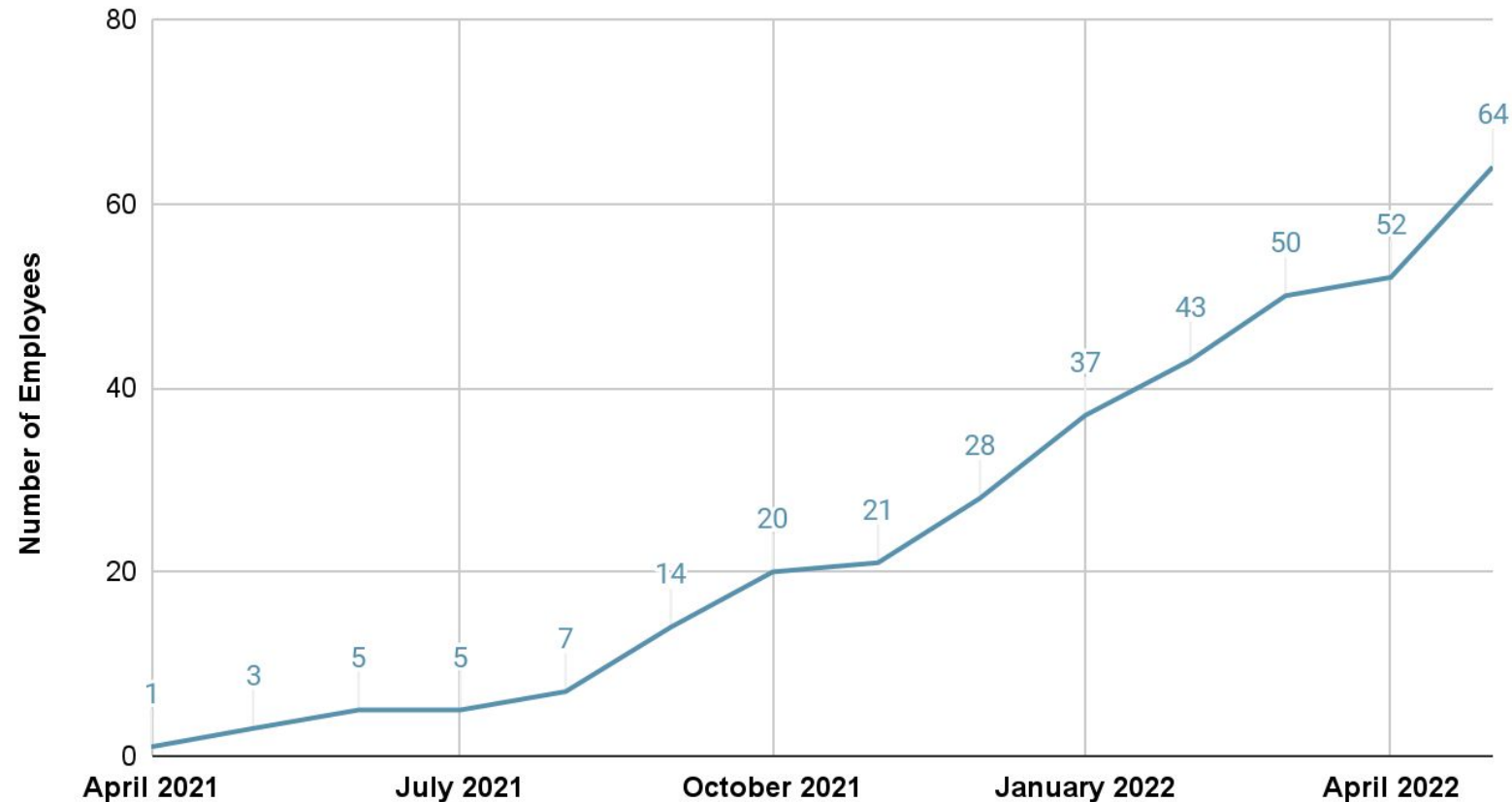
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## Organizational Updates: Hiring Trajectory - April 2021 to Present

64 Employees Hired in 13 Months

Number of Positions Remaining: 34 (including 30 *System Advocates*)



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## **2. Data**

3. Planning

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7. 2023 Additional Incremental Changes to Consider

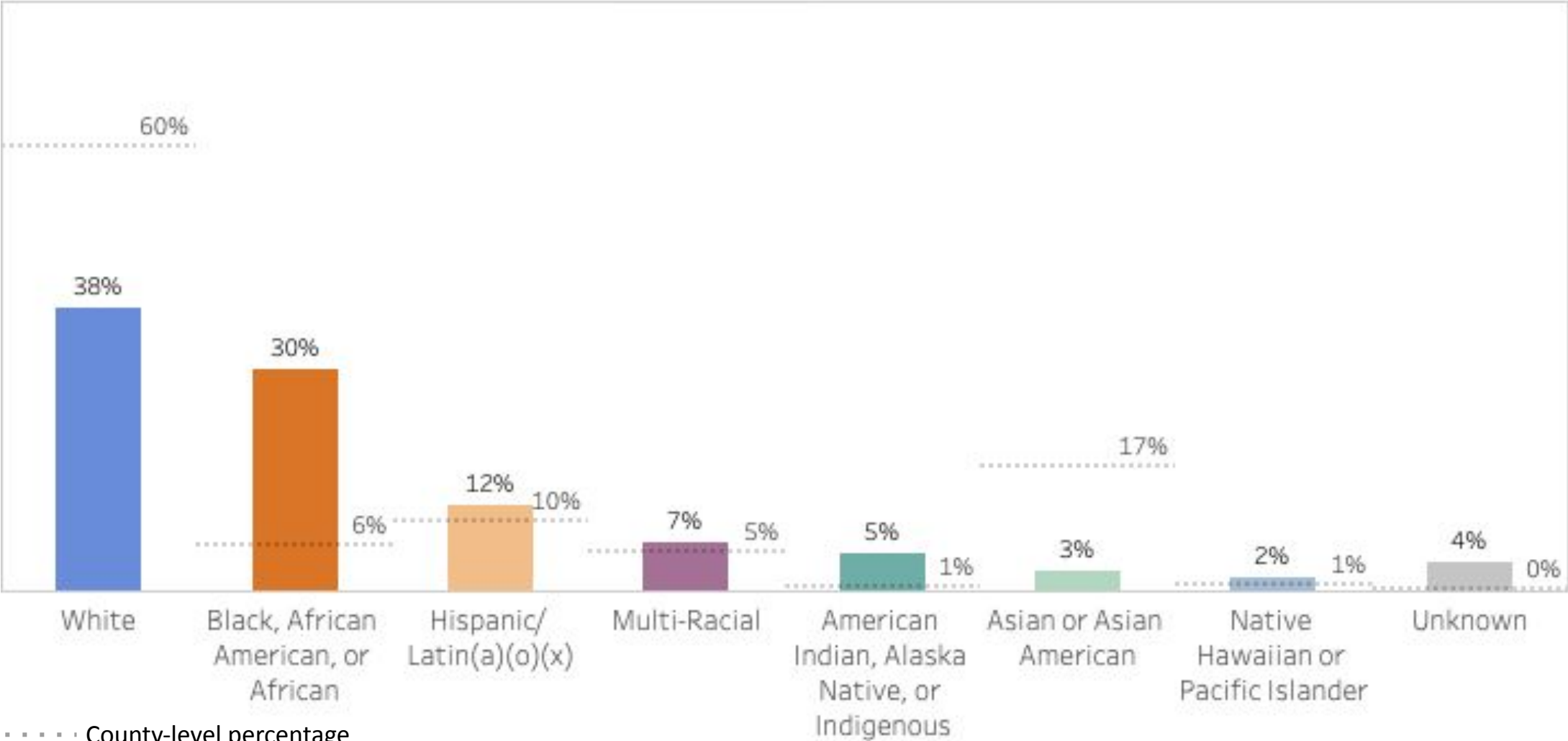
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# Demographics

*population experiencing homelessness by race/ethnicity in HMIS*



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## **3. Planning**

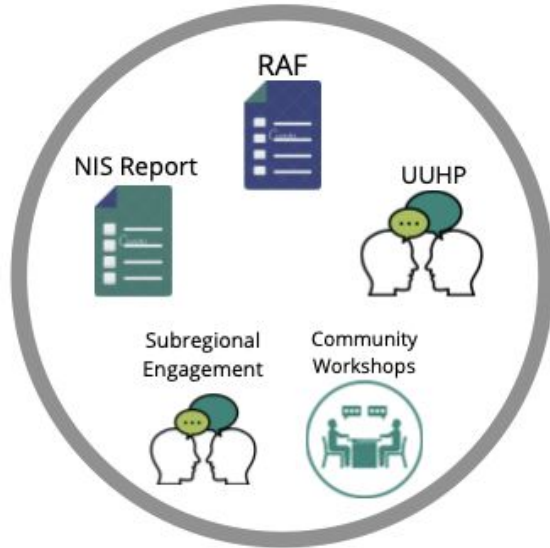
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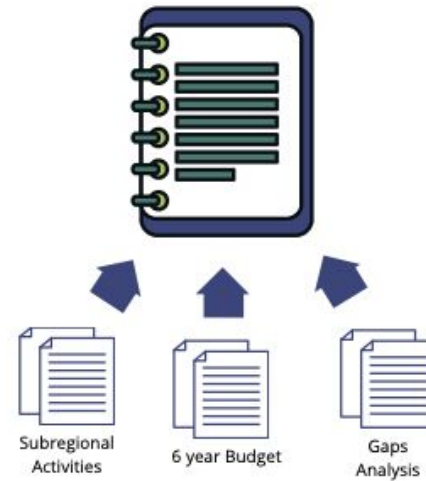
# KCRHA 2023 Budget: Planning

## Community Data Sources



Goals  
→  
Priorities  
→

## Five Year Plan



Metrics  
→  
Guidelines  
→

## Future Contracts



## System Standup and Contracting

## Regional Action Framework: Four Components of Action

COMPONENTS	KCRHA'S ROLE
Coordination and Foundational Items	Facilitation and Partnership
Affordable and Supportive Housing	Advocacy
Crisis Response	Implementation
Mainstream System and Services	Advocacy and Partnership



## Agenda

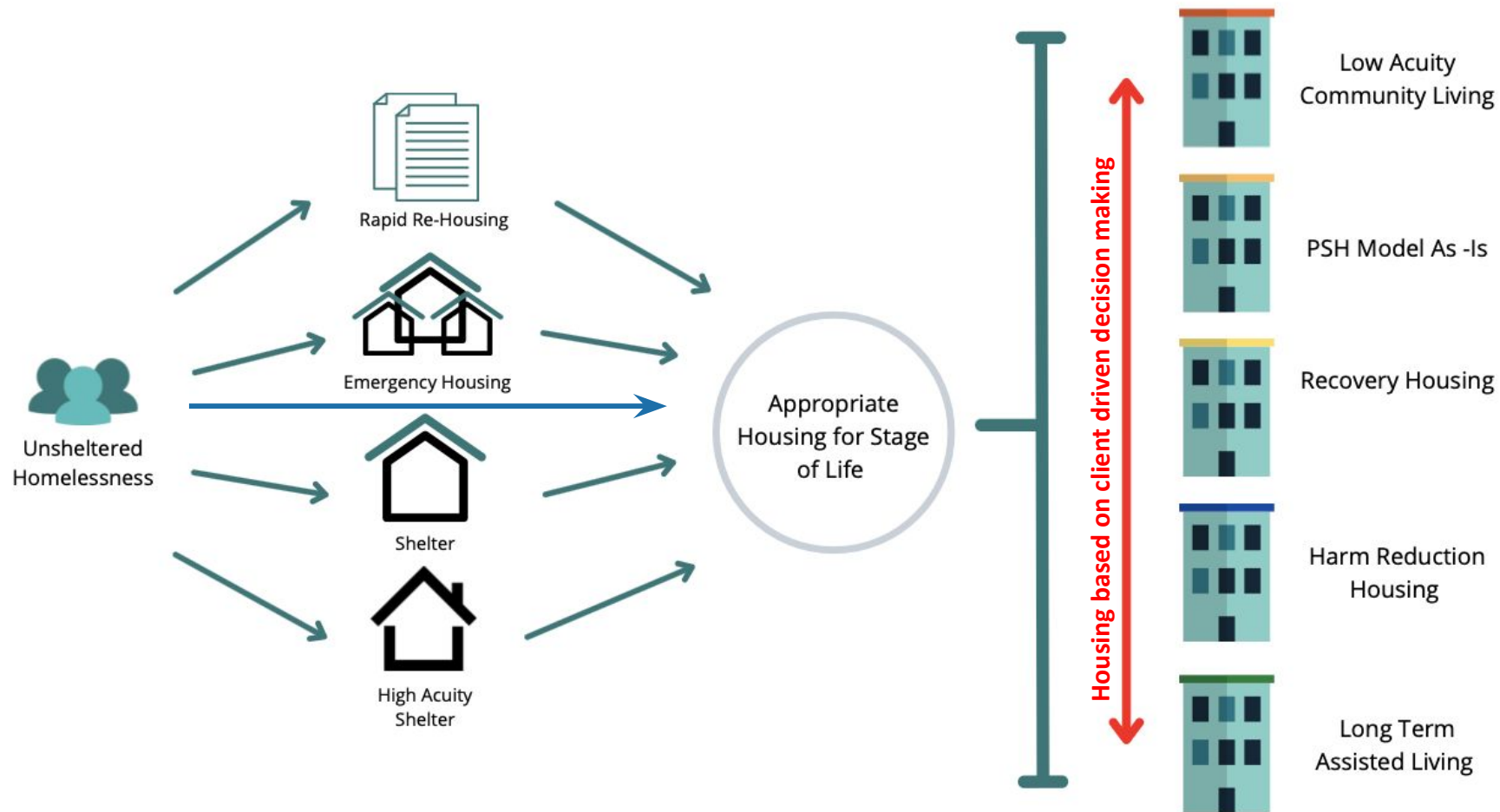
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## Conceptual Model



RRH can be a suitable option to immediately house people - including people meeting the criteria for chronic homelessness - until they can transition to permanent supportive or other supported housing options

## Emergency Shelter

**KCRHA Funding: \$54,904,491**

**TOTAL Funding: \$68,334,926\***

- Congregate and non-congregate
- Not all facilities open 24 hours
- Some programs first-come-first served, with no guarantee of a bed every day
- Limited capacity to bring belongings and pets or to stay with partners
- Highest level of bed turnover
- Lowest length of stay for people who exit to permanent housing

Total Number of Beds	4,406
Number of People Served per Bed per Year	2.5
Exits to Permanent Housing	1,138
Cost per Exit to PH (Total Funding)	\$60,048
Exit Rate to Permanent Housing	18%
Average Length of Stay	119
Average Length of Stay for Persons Who Exit to PH	155
Rate of Return to Homelessness	14%

SOURCE: KCRHA Contract Administrative Data. Does not include data for programs that do not receive funding through KCRHA contracts.

\* Includes funding not contracted through KCRHA

# KCRHA 2023 Budget: Current System Analysis

## Tiny House Villages

**KCRHA Funding: \$7,901,513**

**TOTAL Funding: \$8,111,647\***

- Most expensive cost per exit to permanent housing
- Longest average length of stay in the system
- Shared bathrooms & cooking
- 96 SF Living Spaces

Total Number of Beds	482
Number of People Served per Bed per Year	1.6
Exits to Permanent Housing	125
Cost per Exit to PH (Total Funding)	\$64,893
Exit Rate to Permanent Housing	45%
Average Length of Stay	356
Average Length of Stay for Persons Who Exit to PH	524
Rate of Return to Homelessness	10%

SOURCE: KCRHA Contract Administrative Data. Does not include data for programs that do not receive funding through KCRHA contracts.

\* Includes funding not contracted through KCRHA

## Rapid Rehousing

**KCRHA Funding: \$23,464,726**

**TOTAL Funding: \$25,433,251\***

- Highest exit rate to permanent housing in the system
- Market-dependent solution
  - Challenges with locating housing units within program payment standards at scale
- Lowest rate of return to homelessness
- Second lowest average length of stay

Exits to Permanent Housing	572
Cost per Exit to PH (Total Funding)	\$44,464
Exit Rate to Permanent Housing	71%
Average Length of Stay	264
Average Length of Stay for Persons Who Exit to PH	293
Rate of Return to Homelessness	4%

SOURCE: KCRHA Contract Administrative Data. Does not include data for programs that do not receive funding through KCRHA contracts.

\* Includes funding not contracted through KCRHA

## Transitional Housing

**KCRHA Funding: \$3,261,457**

**TOTAL Funding: \$7,803,786\***

- Lowest cost to KCRHA per exit to permanent housing in the system
- 2 year maximum stay
- Limited public funding available for this model
- Highest rate of return to homelessness

Total Number of Beds	749
Number of People Served per Bed per Year	1.8
Exits to Permanent Housing	332
Cost per Exit to PH (Total Funding)	\$23,505
Exit Rate to Permanent Housing	65%
Average Length of Stay	289
Average Length of Stay for Persons Who Exit to PH	394
Rate of Return to Homelessness	15%

SOURCE: KCRHA Contract Administrative Data. Does not include data for programs that do not receive funding through KCRHA contracts.

\* Includes funding not contracted through KCRHA



# KCRHA 2023 Budget: Current System Analysis

## Performance Comparison

Program	# of Persons Served per Bed per Year	Exits to PH in 2021	Exit Rate to PH	Cost per Exit*	Average Length of Stay in 2021 (days)	Average Length of Stay for Persons who Exit to PH (days)	Rate of Returns to Homelessness
Emergency Shelter	2.5	1,138	18%	\$60,048	119	155	14%
THV's	1.6	125	45%	\$64,893	356	524	10%
Transitional Housing	1.8	332	65%	\$23,505	289	394	15%
Rapid Rehousing	N/A	572	71%	\$44,464	264	293	4%
All RHA Programs**	N/A	3,699	22%	\$29,652	183	250	8%

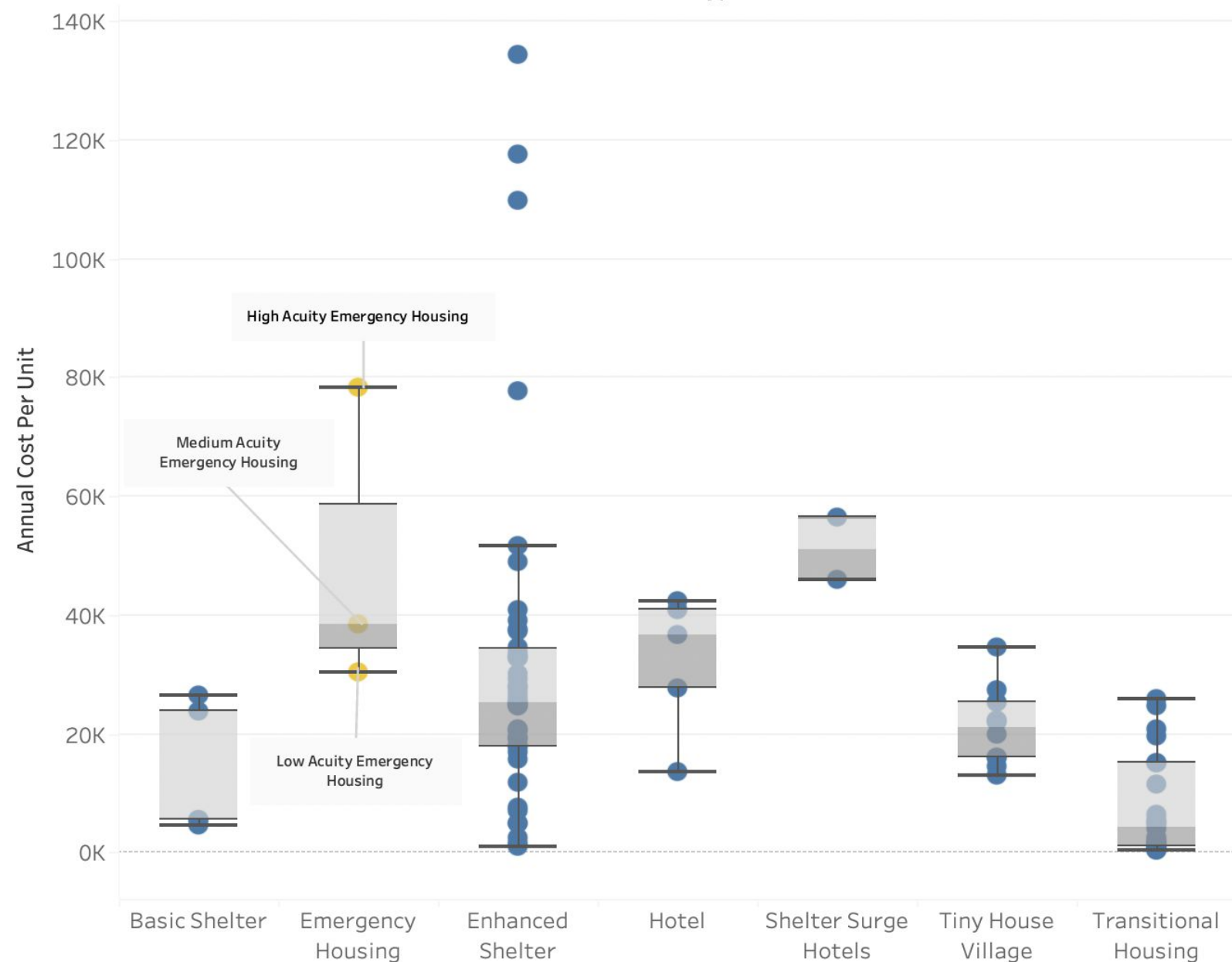
**SOURCE:** KCRHA Contract Administrative Data.

\* Based on total funding (KCRHA + Other Sources)

\*\* Includes Hygiene/day centers, Outreach/Navigation, Prevention, and Diversion

## Emergency Housing

- Emergency housing costs reflect robust staffing models that match the needs of a low, medium and high acuity population.
- The cost of operating a building as low acuity emergency housing is similar to the cost of operating THVs, enhanced shelter, and some transitional housing.



## Emergency Housing Target Performance Comparison

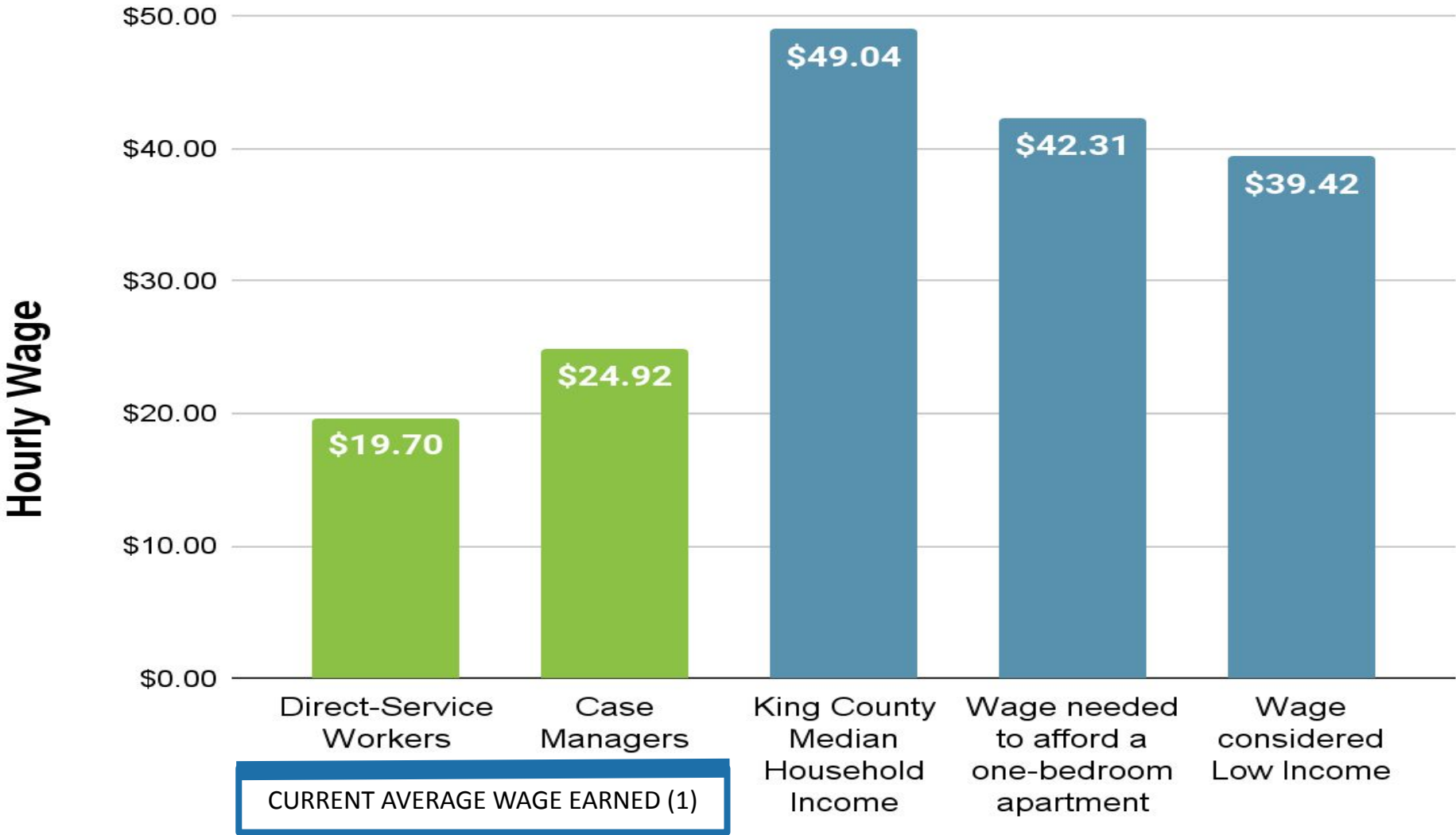
Program Type	Exit Rate to PH	Cost Per Exit	Average Length of Stay in 2021	Rate of Return to Homelessness
<b>Emergency Housing</b>	<b>95%</b>	<b>\$16,190</b>	<b>203</b>	<b>5%</b>
Emergency Shelter	18%	\$60,048*	119	14%
THVs	45%	\$64,893*	356	10%
Transitional Housing	65%	\$23,505*	289	15%
Rapid Rehousing	71%	\$44,464*	264	4%

**SOURCE:** KCRHA Contract Administrative Data (Emergency Shelter, THV's, Transitional Housing, Rapid Rehousing)

\* Based on total funding (KCRHA + Other Sources)

# KCRHA 2023 Budget: Current System Analysis

## Provider Wages Are Not Sustainable



(1) SOURCE: KCRHA Contract Administrative Data

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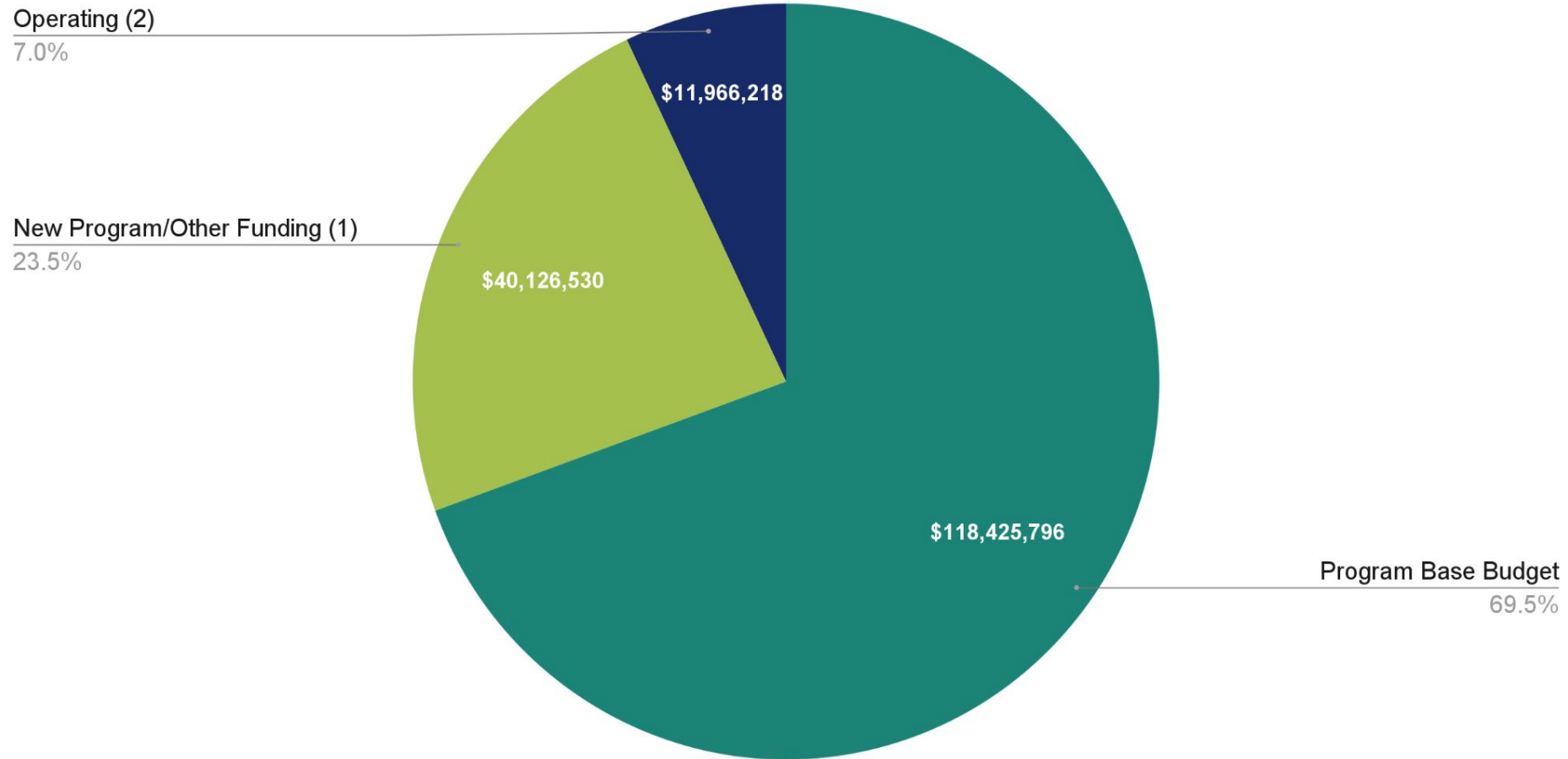
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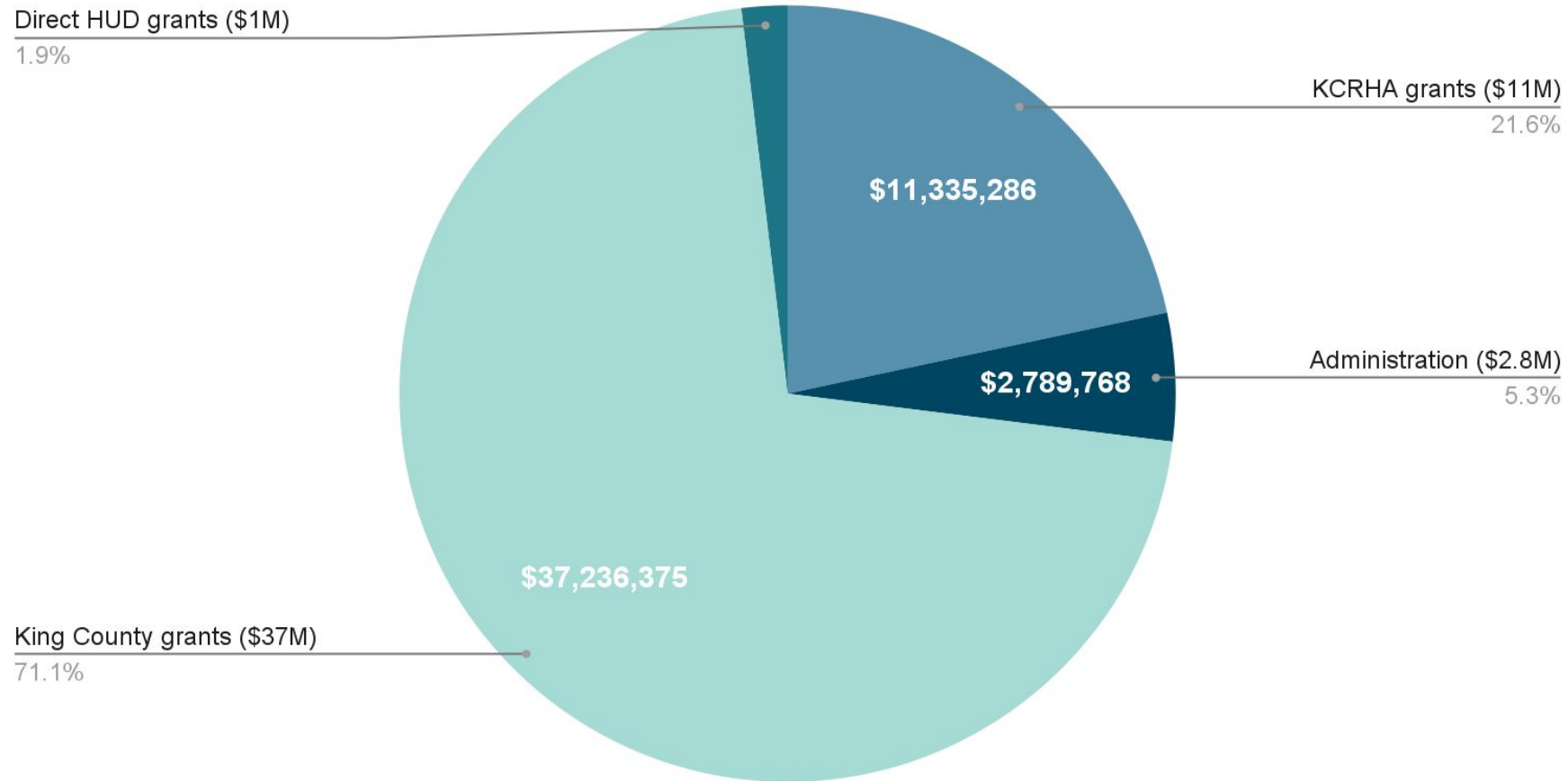
## 2022 Approved Budget - \$170,826,541



- (1) Amount includes one-time COVID funding, and City of Seattle Council budget adds. Some programs supported with this funding may be continued in 2023 (pending confirmation).
- (2) Amounts to \$11.70 per person experiencing homelessness per day



## FY22 HUD Continuum of Care - \$52,360,511



- (1) 58 HUD CoC grants currently awarded
- (2) King County currently supports PSH CoC grants, transitioning to KCRHA in FY22
- (3) 8 CoC grants are held directly by providers



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## Basis for 2023 Incremental Requests

Any additional funds will be requested in 2023 based on:

### Gaps in Current Services

- High Acuity Shelter
- Emergency Housing
- Safe Parking
- Severe Weather

### Ongoing Effects of COVID-19

- Daytime Community Spaces
- Provider Wages

### KCRHA Operations Funding

- Right-size the KCRHA staffing needed to fully support this work

- This presentation contains current options for discussion before the final budget is transmitted for the May 24 Meeting
- Community discussions are ongoing until the final budget proposal is released



## Incremental Changes for Consideration

<b>Priority Incremental Changes - \$68.2M (Adding Places for People)</b>	<b>Additional Incremental Changes to Consider - \$18.2M (Adding Supports for the System)</b>
<b>Adding Places for People</b>	\$15.4 M Provider Wage Consideration
\$5M Safe Parking	\$1.5M Valuing Lived Experience
\$15M Daytime Community Spaces	\$500K BIPOC Agency Participation
\$20M Emergency Housing	\$795K Technical Assistance for Small Providers
\$20M High Acuity Shelter	
\$1M Severe Weather/Emergency Response	
<b>RHA Support for New Places for People and Ongoing Work</b>	
\$7.2M Increased RHA Operating Funding	

**400+ New Beds + 130 Safe Parking Spaces = More than 530 New Beds and Spaces**



## Safe Parking

+ \$5M

### What are We Buying?

- ★ 6-7 Sites
- ★ 20 vehicles per site
- ★ 130 of vehicles at any one time
- ★ 195 Vehicles Served Annually

### What are we Getting?

- A safe and stable place for people living in their vehicles to stay while waiting for permanent options
- An efficient and effective way of connecting people living in vehicles to services
- Vehicle specific services

### What are the Outcomes?

- Better and quicker service outcomes for people living in vehicles
- Fewer people dying in their cars

## Daytime Community Spaces

**+ \$15M**

### What are We Buying?

- ★ Up to 12 new sites
- ★ Enhancements to existing sites
- ★ Up to 740 person served at any one time
- ★ Up to 1,480 people served per year

### What are we Getting?

- Places for people experiencing unsheltered homelessness to be in the daytime
- A consistent place for people to connect to services
- Uses community centers as a model

### What are the Outcomes?

- Natural connection to services
- Expanded geographic service availability
- Safe, stable alternatives to being outside during the day

## Emergency Housing

**+ \$20M**

### What are We Buying?

- ★ Could include single family homes, hotels, SRO's or other buildings
- ★ Up to 345 additional beds
- ★ Start-up Costs
- ★ Dedicated resident support staff

### What are we Getting?

- A dignified place for people to wait for permanent housing
- Stability and life skills
- A better option than the current harmful shelter models

### What are the Outcomes?

- Increased retention of permanent options
- Faster pathway off street into interim housing while waiting for permanent housing
- Free up space in existing shelters

## High Acuity Shelter

**+ \$20M**

### What are We Buying?

- ★ 55 high acuity shelter beds
- ★ Onsite medical and behavioral health staff

### What are we Getting?

- Specialized health services to stabilize people in acute need

### What are the Outcomes?

- More successful placements for people with high needs
- Save costs to providers and the public arising from sufficient levels of services for high acuity individuals

## Severe Weather/Emergency Response

**+ \$1M**

### What are We Buying?

- ★ Countywide funding for heat and fire/smoke emergency/pandemic-related emergencies, as well as shelter expansion, supply or other needs

### What are we Getting?

- Support for people to safely shelter in place during severe weather and other emergencies
- Expanded shelter availability during emergencies

### What are the Outcomes?

- Support a Countywide response
- Save lives of people living unsheltered who choose to shelter in place during severe weather events or who cannot access limited available shelter

## Additional Operating Costs

**+ \$7.2M**

### What are We Buying?

- ★ Additional staff and overhead funding for program design and implementation

### What are we Getting?

- Increased administrative support for providers
- Brings KCRHA Operating costs to 10% of total budget (Most provider budgets are 15%)

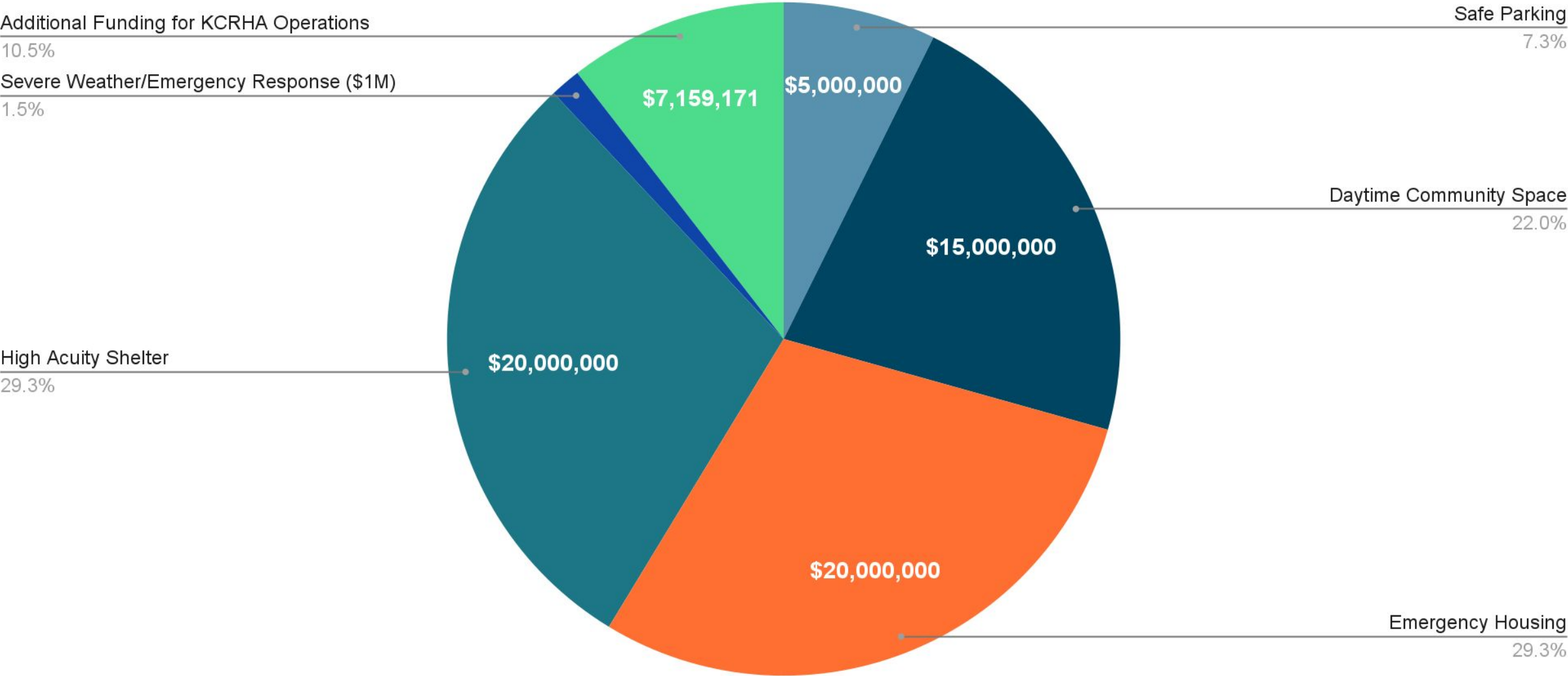
### What are the Outcomes?

- Faster contract execution
- Improved provider capacity and performance
- Better data and performance management



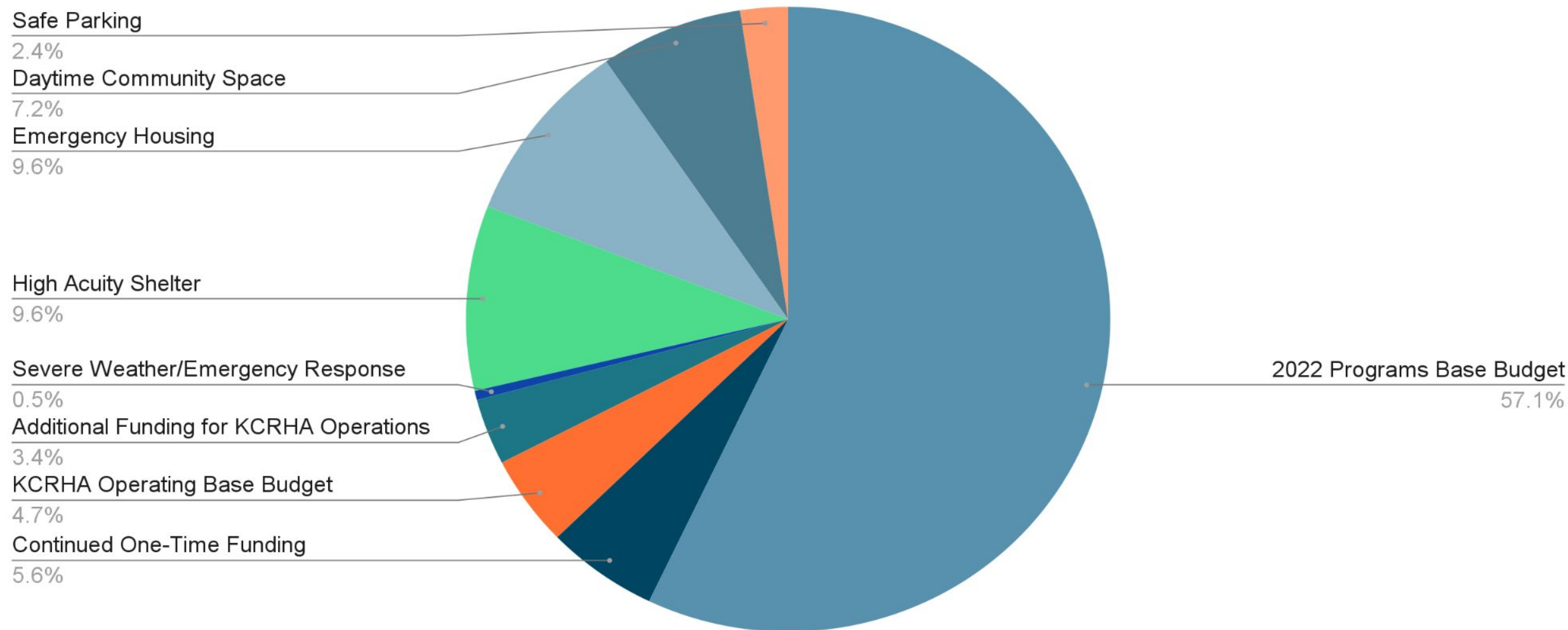
# KCRHA 2023 Budget: Priority Incremental Changes

## Total Priority Incremental Changes \$68.2M



# KCRHA 2023 Budget: Priority Incremental Changes

## Base Budget + Priority Incremental Changes - \$208.2M Places for People



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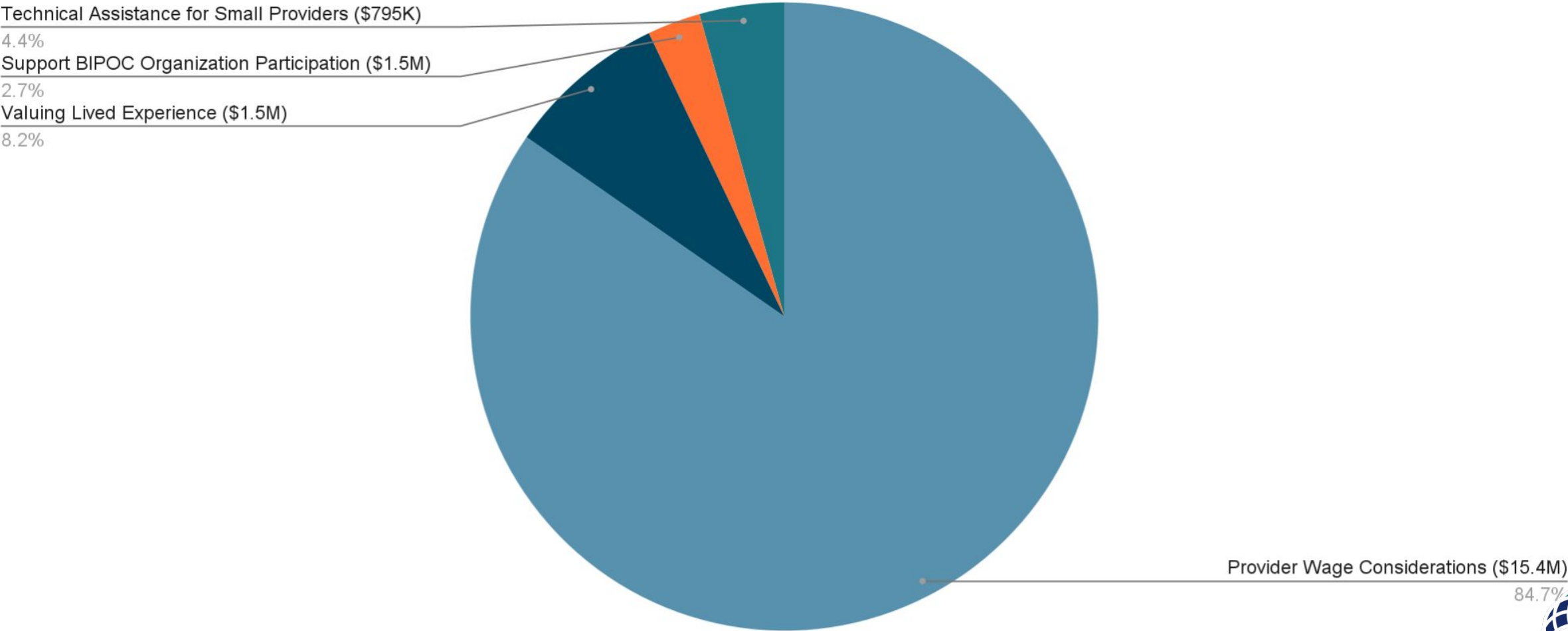
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## Additional Incremental Wages

Proposed Change	Proposed Amount	Description	Expected Benefit
<b>Provider Wage Considerations</b>	\$15.4M	<ul style="list-style-type: none"><li>• Permanent 13% addition to provider base budgets to increase wages system-wide</li></ul>	<ul style="list-style-type: none"><li>• Sufficient capacity to staff expanding services</li></ul>
<b>Valuing Lived Experience</b>	\$1.5M	<ul style="list-style-type: none"><li>• A low-barrier grant fund for organizations centering lived experience</li><li>• TA for addressing racism, analyzing and shifting power</li></ul>	<ul style="list-style-type: none"><li>• Better centering the voices of lived experience and people most impacted</li></ul>
<b>BIPOC Agency Participation</b>	\$500K	<ul style="list-style-type: none"><li>• Low-barrier funding to reimburse small, BIPOC agencies for staff participation</li><li>• TA for addressing racism, analyzing and shifting power</li></ul>	<ul style="list-style-type: none"><li>• Greater equity in the homeless service system</li></ul>
<b>Technical Assistance for Small Providers</b>	\$795K	<ul style="list-style-type: none"><li>• Small Technical Assistance grants to enable up to 53 small providers to administer public funding</li></ul>	<ul style="list-style-type: none"><li>• Wider range of providers for planned service expansion</li></ul>
<b>TOTAL</b>	<b>\$18.2M</b>		

Total Additional Incremental Changes \$18.2M



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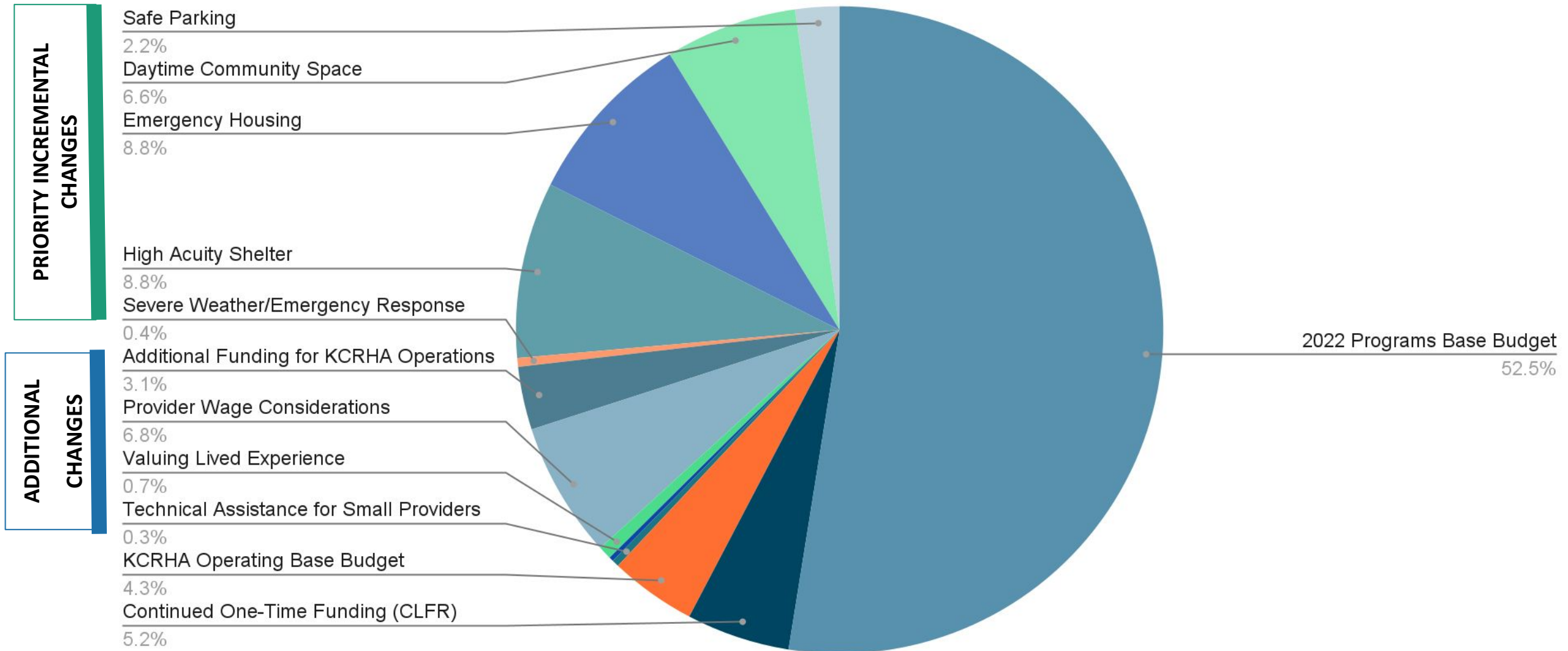
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# KCRHA 2023 Budget: Proposed Budget

Proposed Budget - \$227.4M

Base+Priority Incremental Changes + Additional Incremental Changes



# KCRHA 2023 Budget: Proposed Budget

## Base and All Potential Incremental Changes

KCRHA Base Funding	# of Projects	Amount
2022 Base Budget	217	\$119,440,022
Continued One-Time Funding (CLFR)	2	\$11,740,750
KCRHA Operating Base Budget		\$9,833,409
<b>Subtotal Base Funding</b>	<b>219</b>	<b>\$141,014,181</b>
<b>Priority Incremental Changes</b>		
Safe Parking	5	\$5,000,000
Daytime Community Space	14	\$15,000,000
Emergency Housing	7	\$20,000,000
High Acuity Shelter	2	\$20,000,000
Severe Weather/Emergency Response		\$1,000,000
Additional Funding for KCRHA Operations		\$7,159,171
<b>Subtotal Priority Incremental Changes</b>	<b>28</b>	<b>\$68,159,171</b>
<b>Additional Incremental Changes to Consider</b>		
Provider Wage Considerations		\$15,435,424
Valuing Lived Experience		\$1,500,000
Support BIPOC Organization Participation		\$500,000
Technical Assistance for Small Providers		\$795,000
<b>Subtotal Additional Incremental Changes</b>		<b>\$18,230,424</b>
<b>TOTAL KCRHA Base and All Changes</b>	<b>247</b>	<b>\$227,403,776</b>



# KCRHA 2023 Budget: Proposed Budget

## 2023 Proposed Operating Budget

Cost Category	Amount		Total	
	Direct	Fringe	Total	%
Staffing				
CEO Team (1)	\$2,162,875	\$886,779	\$3,049,654	17.95%
Programs and Performance	\$3,480,185	\$1,426,876	\$4,907,062	28.88%
Community Impact	\$995,775	\$408,268	\$1,404,043	8.26%
Ombuds	\$517,600	\$212,216	\$729,816	4.29%
Admin	\$1,107,370	\$454,022	\$1,561,392	9.19%
<b>Subtotal Staffing (2)(3)</b>	<b>\$8,263,805</b>	<b>\$3,388,160</b>	<b>\$11,651,966</b>	68.57%
Overhead				
Equipment			\$322,792	1.90%
Office Expenses			\$607,576	3.58%
Software - HMIS			\$1,232,000	7.25%
Software - Other			\$542,550	3.19%
Professional Services			\$1,009,330	5.94%
Outreach			\$626,000	3.68%
Rent			\$538,968	3.17%
Other Operating Cost			\$461,397	2.72%
<b>Subtotal Overhead</b>			<b>\$5,340,613</b>	31.43%
<b>TOTAL Operations (3)</b>			<b>\$16,992,579</b>	
Operating as % of Program			8.49%	
Available Funds			\$16,992,580	

(1) Includes CEO, Deputy CEO, Sub-Regional Planning, Communications and Intergovernmental Relations, and Health Policy and Equity and Justice teams

(2) Assumes a 5% vacancy rate on average over the course of the year

(3) Anticipated 6% cost of living inflation, pending final percentage from funders



## 2023 KCRHA Proposed Operating Budget

- **Proposed \$7.2M increase - 10% of total proposed budget (1) to pay for:**
  - 20 New FTEs
    - Based on internal participatory process, positions added to support ongoing work and new work proposed in the 2023 budget
      - Add support for housing and youth programs, special projects, and a tribal liaison
      - Add accounting and financial specialists to support faster invoice payment
      - Increased research capacity
      - More sub-regional planning support
  - 6% Cost of Living Adjustment
  - Add full benefit coverage for dependents
    - Currently KCRHA covers 50% of dependent benefit cost
    - Aligns with Seattle and King County dependent coverage

(1) HUD grant programs allow up to 15-20% of funding for Operating/Administrative costs



# KCRHA 2023 Budget: 2022/23 Comparison

Cost Category	Amount		
KCRHA Continued Funding	2022	2023	Notes
2022 Base Budget	\$118,734,032	\$119,440,022	
Continued One-Time Funding (City of Seattle CLFR)		\$11,740,750	2022 Projected balance, carry forward
Raikes Foundation Grant	\$150,000	\$150,000	
KCRHA Operating Base Budget	\$11,966,218	\$9,683,409	2022 Ops Funding included admin cost from one-time funding
<b>Subtotal Continued Funding</b>	<b>\$130,850,250</b>	<b>\$141,014,181</b>	
Incremental Changes			Notes
City of Seattle 2022 Council Budget Actions	\$1,540,000		Includes one time and ongoing funding. Ongoing funds are included in 2023 base budget
City of Seattle ESG-CV	\$8,758,670		One Time Funds
City of Seattle CDBG-CV	\$2,993,344		One Time Funds
City of Seattle CLFR	\$26,784,516		One Time Funds
United Way Severe Weather Response	\$50,000		One Time Funds
Safe Parking		\$5,000,000	2023 Priority Incremental Change
Daytime Community Space		\$15,000,000	2023 Priority Incremental Change
Emergency Housing		\$20,000,000	2023 Priority Incremental Change
High Acuity Shelter (1)		\$20,000,000	2023 Priority Incremental Change
Severe Weather/Emergency Response		\$1,000,000	2023 Priority Incremental Change
Additional Funding for KCRHA Operations		\$7,159,171	2023 Priority Incremental Change
Provider Wage Considerations		\$15,435,424	2023 Additional Incremental Change
Valuing Lived Experience		\$1,500,000	2023 Additional Incremental Change
Support BIPOC Organization Participation		\$500,000	2023 Additional Incremental Change
Technical Assistance for Small Providers		\$795,000	2023 Additional Incremental Change
<b>Subtotal Incremental Changes</b>	<b>\$40,126,530</b>	<b>\$86,389,595</b>	
<b>TOTAL KCRHA Base and All Changes</b>	<b>\$170,976,780</b>	<b>\$227,403,776</b>	
(1) City of Seattle's 2022 Adopted Budget includes \$5M for high acuity enhanced shelter to be developed by King County and will transition to KCRHA in future years			



## Incremental Changes Prioritized

Priority		Project	Amount
1	Places for People	Safe Parking	\$5,000,000
		Daytime Community Space	\$15,000,000
		Emergency Housing	\$20,000,000
		High Acuity Shelter	\$20,000,000
		Severe Weather/Emergency Response	\$1,000,000
		Additional Funding for KCRHA Operations	\$7,159,171
2	System Supports	Provider Wage Considerations	\$15,435,424
3		Valuing Lived Experience	\$1,500,000
4		Support BIPOC Organization Participation	\$500,000
5		Technical Assistance for Small Providers	\$795,000
		Total	\$86,389,595



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# DISCUSSION

## **Recommended Action:**

**Authorize the RHA to submit the 2023 Budget Proposal to the City of Seattle and King County for Consideration**

