

MEMORANDUM

Date: December 14, 2022

To: King County Regional Homelessness Authority Implementation Board and Governing Committee

From: Meg Barclay, Chief Administrative Officer

CC: Marc Dones, Chief Executive Officers
Helen Howell, Deputy Chief Executive Officer

Subject: Adoption of KCRHA Final 2023 Budget

I. Summary & Recommendation

The King County Regional Homelessness Authority (KCRHA):

1. Encourages the KCRHA Implementation Board to approve the attached resolution to adopt KCRHA's 2023 Final Budget (attached), based on the City of Seattle and King County adopted budgets; and
2. Recommends that the KCRHA Governing Committee adopt the KCRHA's 2023 Final Budget.

II. Recommendations

As you recall, in May 2022, the Implementation Board recommended and the Governing Committee approved KCRHA's 2023 Proposed Budget, and authorized the KCRHA to transmit the budget to the City of Seattle and King County for consideration. In September 2022, the Mayor of the City of Seattle and the King County Executive released their proposed 2023-2024 budgets, and in November 2022, the City of Seattle and King County adopted final budgets with modifications incorporated by their Councils.

The KCRHA's 2023 Final Budget totals \$253.3 million, consisting of approved funding from the City of Seattle, King County, the U.S. Department of Housing and Urban Development (HUD), the State of Washington Department of Commerce (Commerce), and private foundations.

The attached presentation describes funding allocated to the KCRHA by the City of Seattle and King County based on their final adopted budgets. Further, these budgets determine how funds allocated to the RHA are to be spent across program types. As such, we request that the budget be adopted as presented.

While the City of Seattle and King County budget allocations are final, in Spring 2023, the Implementation Board will have greater discretion when reviewing the KCHRA's recommended 2024 budget proposal before it is submitted to the City of Seattle and King County for consideration.

KCRHA 2023 Final Budget

December 2022



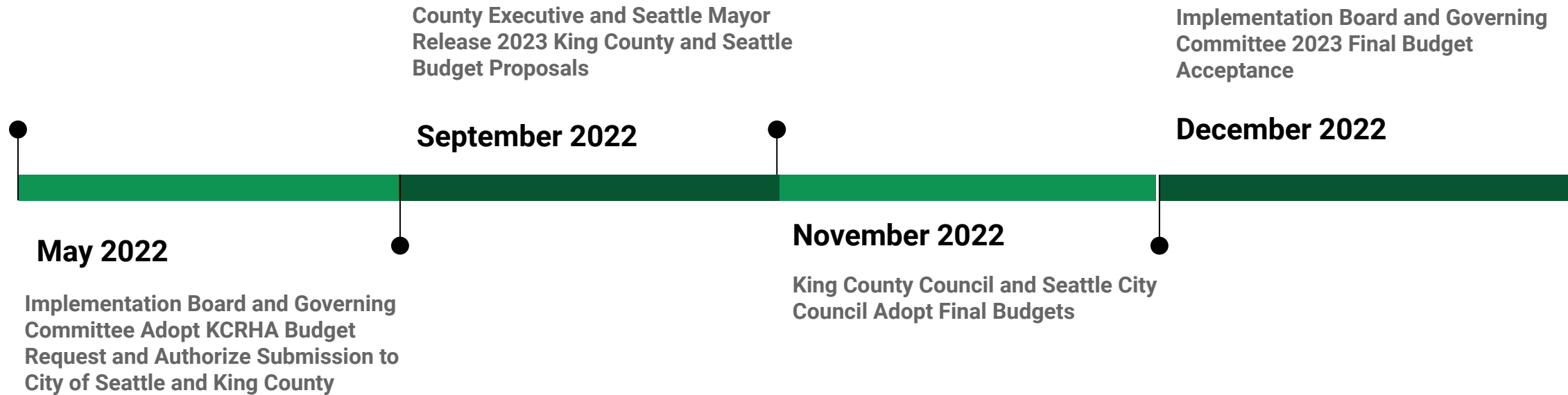
KCRHA
King County Regional Homelessness Authority

Agenda

1. 2023 Budget Timeline
2. 2023 Final Budget
3. Recommend Adoption of the KCRHA 2023 Final Budget



2023 Budget Timeline



Key Components of the KCRHA Budget

Base Budget

Activities that are supported with ongoing funding. Funding in the base budget is generally assumed to continue from year to year. The RHA budget presentation focuses on additional funding provided over and above Base Funding

Continued One-Time Funding

One-time grant funds (largely coronavirus relief funds from the Federal Government) that the City of Seattle and King County allocated to the KCRHA in 2022 to support specific programs across multiple fiscal years, but which will expire in 2023 or 2024

Incremental Changes

Funding for new or enhanced services over and above ongoing funding provided in the Base Budget. Incremental changes funded with ongoing funding will be included in the KCRHA's Base Budget in 2024



- **All KCRHA Funding is provided through contracts with:**

- City of Seattle Human Services Department (HSD)
- King County Department of Health and Community Services (DCHS)
- US Department of Housing and Urban Development (HUD)
- State of Washington Department of Commerce
- Private Foundations

- **2022 and 2023 Base Funding**

- KCRHA has renewed contracts previously funded by the City and County in 2021 before they were transitioned to the KCRHA in 2022 in our Base Budget
- Once the 5-Year Plan is approved, pursuant to the Interlocal Agreement (ILA) the KCRHA will redesign and re-bid the entire system, including services currently funded with Base Funding in the KCRHA's budget



KCRHA 2023 Budget Request

KCRHA Base Funding	# of Projects	Amount
2022 Base Budget	217	\$119,440,022
Continued One-Time Funding (Coronavirus Local Fiscal Recovery)	2	\$11,740,750
KCRHA Operating Base Budget		\$9,833,409
Subtotal Base and Continued One-Time Funding	219	\$141,014,181
Priority Incremental Changes		
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
Subtotal Priority Incremental Changes	28	\$68,159,171
Additional Incremental Changes to Consider		
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
Subtotal Additional Incremental Changes		\$18,230,424
TOTAL KCRHA Base and All Changes	247	\$227,403,776



2023 Final Budget

2023 Budget Overview

- Continued base funding for programs and KCRHA Operations
- City of Seattle and King County Incremental Changes to support:
 - Continued and increased funding for tiny house villages
 - Increased funding for:
 - Safe parking
 - Outreach programs
 - Housing and essential needs
 - Provider inflation
 - Provider one-time wage increases
 - Services to address COVID impact on homelessness
 - New Outreach positions for the KCRHA
- State Department of Commerce Funding for Right of Way work

2023 Final Budget Overview

KCRHA 2023 Funding	Amount	Notes
2023 Base Program Funding	\$132,078,313	Includes continued one-time funding
KCRHA Operations, Administration & Direct Services	\$18,707,190	8% of program funding
City of Seattle Incremental Budget Changes	\$19,237,337	Includes one-time and ongoing funding
King County Incremental Budget Changes	\$38,083,148	
Department of Commerce Right of Way Funding	\$45,243,789	
TOTAL KCRHA 2023 BUDGET	\$253,349,777	



KCRHA Final Budget: By Program Expenditure

Program	Amount	%
1 Access	\$1,756,510	0.75%
2 Day Center	\$2,850,559	1.21%
3 Diversion	\$2,378,771	1.01%
4 EHV Services	\$1,091,500	0.47%
5 Emergency Housing	\$20,500,000	8.74%
6 Enhanced Shelter	\$71,150,363	30.32%
7 Housing and Essential Needs	\$28,083,148	11.97%
8 Hygiene Center	\$947,987	0.40%
9 Provider Inflation & Wage Increases	\$10,916,937	4.65%
10 Navigation	\$319,400	0.14%
11 Other Program	\$2,683,207	1.14%
12 Outreach & Engagement	\$8,333,933	3.55%
13 Permanent Supportive Housing	\$18,465,038	7.87%
14 Prevention	\$3,029,336	1.29%
15 Rapid Rehousing	\$36,765,601	15.67%
16 Safe Parking	\$6,224,371	2.65%
17 Transitional Housing	\$2,401,935	1.02%
18 Village	\$16,743,992	7.14%
19 KCRHA Operations, Admin, & Direct Services	\$18,707,190	7.97%
Total	\$253,349,777	100%

Program Expenditures:

- Including expenditures determined by King County and City of Seattle contract plans transitioned to the KCRHA in 2022
- Program expenditures will change in the 2024 budget when the KCRHA implements system redesign, driven by the approved 5-Year Plan, pursuant to the Interlocal Agreement (ILA)

KCRHA Operations:

- Includes one-time funding

KCRHA Final Budget: 2022 & 2023 Budget Comparison

KCRHA Continued Funding	2022 Approved Budget	2023 Budget Request	2023 Final Budget	Notes
Continued Programs Budget	\$118,734,032	\$119,440,022	\$132,078,313	Includes projected balance/carry forward for Coronavirus Local Fiscal Recovery funds
KCRHA Operating & Direct Services Budget	\$11,966,218	\$9,833,409	\$13,203,260	Includes direct services for Partnership for Zero and donations/grants for operating cost
Dontations/Grants	\$150,000			Shifted to KCRHA Operating budget for FY 2023
Subtotal Continued Funding	\$130,850,250	\$129,273,431	\$145,281,573	
Incremental Budget Changes	2022 Approved Budget	2023 Budget Request	2023 Final Budget	Notes
City of Seattle 2022 Council Budget Actions	\$1,540,000			Includes one time and ongoing funding. Ongoing funds are included in 2023 base
City of Seattle Emergency Solutions Grant - COVID	\$8,758,670			One-time COVID funding
City of Seattle Community Development Block Grant - COVID	\$2,993,344			One-time COVID funding
City of Seattle Coronavirus Local Fiscal Recovery Fund	\$26,784,516	\$11,740,750		FY 2023 projected carryforward is included in Continued Programs Budget
United Way Severe Weather Response	\$50,000			One-time COVID funding
Daytime Community Space		\$15,000,000		
High Acuity Shelter		\$20,000,000		
Severe Weather/Emergency Response		\$1,000,000		
Valuing Lived Experience		\$1,500,000		
Support BIPOC Organization Participation		\$500,000		
Technical Assistance for Small Providers		\$795,000		
Safe Parking		\$5,000,000	\$5,975,000	
Emergency Housing		\$20,000,000	\$20,500,000	
Additional Funding for KCRHA Operations		\$7,159,171	\$5,182,737	Includes Department of Commerce Right of Way admin, direct services, and one-time funding, and City of Seattle Council Budget Add adding 5 FTEs for homelessness outreach
Provider Wage Increases		\$15,435,424	\$5,000,000	
Continued Funding for tiny house villages			\$4,027,800	Continued funding for THVs, Camp Second Chance, and support for existing THVs
Provider Inflation			\$6,238,130	Includes anticipated amount to be transferred to the KCRHA for provider contract inflation and one-time inflation for McKinney/CoC contracts
Start-Up and Operating Costs for 50 new THV units			\$2,390,000	
Maintain homelessness services			\$600,000	
Behavioral Health Outreach in the Chinatown/International District Neighborhood			\$220,000	
Vehicle residency outreach and parking offense mitigation			\$107,600	
One-time funding to address COVID impact on homelessness			\$5,000,000	
WA State Department of Commerce Right of Way Project			\$24,743,789	
Housing and Essential Needs			\$28,083,148	
Subtotal Incremental Budget Changes	\$40,126,530	\$98,130,345	\$108,068,204	
Grand Total	\$170,976,780	\$227,403,776	\$253,349,777	

KCRHA Final Budget: Operations, Administration & Direct Services Budget Detail

Staffing	Direct	Fringe	Total	%
CEO Team (1)	\$1,709,938	\$598,478	\$2,308,416	12.3%
Programs and Performance	\$2,558,536	\$895,487	\$3,454,023	18.5%
Community Impact	\$779,475	\$272,816	\$1,052,291	5.6%
Ombuds	\$512,000	\$179,200	\$691,200	3.7%
Admin	\$822,590	\$287,907	\$1,110,497	5.9%
Partnership for Zero	\$3,513,675	\$1,229,786	\$4,743,461	25.4%
Subtotal Staffing (2) (3)	\$9,896,214	\$3,463,674	\$13,359,888	71.4%
Overhead				
Equipment			\$322,792	1.7%
Supplies			\$607,576	3.2%
Software			\$1,774,550	9.5%
Professional Services			\$1,009,330	5.4%
Outreach Supplies			\$626,000	3.3%
Rent			\$423,000	2.3%
Professional Development			\$186,690	1.0%
Other Operating Cost			\$397,364	2.1%
Subtotal Overhead			\$5,347,302	28.6%
TOTAL Operations (4)			\$18,707,190	100.0%
Operating as % of Program			7.97%	

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

(2) Includes Direct Services

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

(4) Includes one-time funding and amounts are subject to change throughout the year and budget amendments will occur throughout the year



KCRHA Final Budget: City of Seattle and King County Incremental Changes

2023 Incremental Changes: City of Seattle & King County					
Funder	Program Name	2023	2024 (2)	Fund Source	One-time/Ongoing (4)
City of Seattle	Continue Funding for Southend Tiny Home Village (THV)	\$750,022	779,273	General Fund	Ongoing
City of Seattle	Sustain Funding for SODO Shelter in 2024		\$4,700,000	General Fund	Ongoing
City of Seattle	McKinney/CoC Contract Inflation	\$643,506	\$0	General Fund	One-time
City of Seattle	Continue one-time funding for Camp Second Chance THV	\$498,000	498,000	General Fund	Ongoing
City of Seattle	Start-Up and Operating Costs for 50 new THV units	\$2,390,000	1,520,000	General Fund	\$1.52M is ongoing
City of Seattle	Programing and Operations for new Safe Parking	\$3,375,000	3,375,000	General Fund	Ongoing
City of Seattle	Safe Parking - Stand Up	\$2,600,000		General Fund	One-time
City of Seattle	Provider Contract Inflation (1)	\$10,436,599	\$16,036,599	General Fund	Ongoing
City of Seattle	Maintain Homeless Services	\$600,000	\$0	General Fund	One-time
City of Seattle	Behavioral Health Outreach in Chinatown/International District	\$220,000	\$220,000	General Fund	Ongoing
City of Seattle	Support for Existing THVs	\$2,779,778	\$0	General Fund	One-time
City of Seattle	Vehicle Residency Outreach and Parking Offense Mitigation	\$107,600	\$0	General Fund	One-time
City of Seattle	New KCRHA outreach Positions	\$1,211,976	\$1,211,976	General Fund	Ongoing
Subtotal City of Seattle Incremental Changes		\$25,612,481	\$22,168,575		
King County	Housing and Essential Needs (HEN) (3)	\$28,083,148	\$28,083,148	HEN	Ongoing
King County	Provider Wage Increases	\$5,000,000	\$0	American Rescue Plan Act	One-time
King County	Programs to Address COVID Impact on Homelessness	\$5,000,000	\$0	American Rescue Plan Act	One-time
Subtotal King County Incremental Changes		\$38,083,148	\$28,083,148		
Grant Total for Incremental Changes (2)		\$63,695,629	\$50,251,723		

- (1) Provider contract inflation amount is for all HSD's homelessness service provider contracts. The portion of this amount transferring to the KCRHA for KCRHA-administered contracts will be provided by the City of Seattle no later than January 2023
- (2) 2024 funding is not included in the KCRHA 2023 Final Budget presented for acceptance
- (3) HEN funding is already allocated to existing programs. As such, this does not represent funding for new services
- (4) Ongoing funds will be included in the KCRHA's base budget for 2024

KCRHA Final Budget: Program Base Budget By Funding Source

Source	Grant	City of Seattle	King County	HUD - CoC	Grand Total
Federal	Community Development Block Grant	\$3,154,270	\$358,029	\$0	\$3,512,299
	State Community Development Block Grant - CARES	\$0	\$413,206	\$0	\$413,206
	Continuum of Care Program (1)	\$0	\$0	\$27,490,908	\$27,490,908
	Coronavirus State and Local Fiscal Recovery Fund (2)	\$10,566,675	\$0	\$0	\$10,566,675
	Emergency Solutions Grant Program	\$800,474	\$180,000	\$0	\$980,474
	Emergency Solutions Grant Program - CARES	\$278,954	\$1,972,718	\$0	\$2,251,672
	Community Development Block Grant - CARES	\$0	\$706,451	\$0	\$706,451
Federal Total		\$14,800,373	\$3,630,404	\$27,490,908	\$45,921,685
Local	City of Seattle - General Fund	\$60,197,899	\$0	\$0	\$60,197,899
	Document Recording Fees	\$0	\$10,194,621	\$0	\$10,194,621
	OH Housing Levy	\$1,624,399	\$0	\$0	\$1,624,399
	RAHP	\$0	\$715,000	\$0	\$715,000
	Short Term Rental Tax	\$3,610,203	\$0	\$0	\$3,610,203
	JumpStart	\$1,091,500	\$0	\$0	\$1,091,500
	United Way King County	\$0	\$200,000	\$0	\$200,000
	Veterans, Seniors & Human Services Levy	\$0	\$2,745,100	\$0	\$2,745,100
Local Total		\$66,524,001	\$13,854,721	\$0	\$80,378,722
State	Consolidated Homeless Grant	\$0	\$3,836,166	\$0	\$3,836,166
	Shelter Program Grant (3)	\$0	\$1,941,740	\$0	\$1,941,740
State Total		\$0	\$5,777,906	\$0	\$5,777,906
Grand Total (4)		\$81,324,374	\$23,263,031	\$27,490,908	\$132,078,313

(1) HUD CoC amount is subject to change as projects continue to be transferred to the KCRHA

(2) Coronavirus Local Fiscal Recovery (CLFR) funding for multi year projects

(3) Increase from \$119M in the previous version of this presentation to \$132M is due to CLFR multi year funding being included in the program budget above

KCHRA Final Budget: Operations, Administration & Direct Services By Funding Source

Source	Grant	City of Seattle	Department of Commerce	King County	Raikes Foundation	We Are In	Grand Total
Donation/Grant	We Are In (Partnership for Zero)					\$5,129,662	\$5,129,662
	Raikes Foundation (Youth and Young Adult Policy)				\$150,000		\$150,000
Donation/Grant Total		\$0	\$0	\$0	\$150,000	\$5,129,662	\$5,279,662
Federal	Community Development Block Grant	\$24,600					\$24,600
	Coronavirus State and Local Fiscal Recovery Fund	\$1,174,075					\$1,174,075
	Right of Way (State Grant of Federal Funds)		\$3,970,761				\$3,970,761
Federal Total		\$1,198,675	\$3,970,761	\$0	\$0	\$0	\$5,169,436
Local	City of Seattle - General Fund	\$5,734,798					\$5,734,798
	Document Recording Fees			\$1,700,020			\$1,700,020
	In-Kind (Rent)			\$423,000			\$423,000
	Veterans, Seniors & Human Services Levy			\$57,249			\$57,249
Local Total		\$5,734,798	\$0	\$2,180,269	\$0	\$0	\$7,915,067
State	Consolidated Homeless Grant			\$125,000			\$125,000
	Shelter Program Grant			\$218,025			\$218,025
State Total		\$0	\$0	\$343,025	\$0	\$0	\$343,025
Grand Total		\$6,933,473	\$3,970,761	\$2,523,294	\$150,000	\$5,129,662	\$18,707,190

KCRHA Final Budget: Washington State Department of Commerce Right of Way

Program	Amount	Notes
Emergency Housing (One-time Acquisition)	\$19,000,000	
Emergency Housing (Ongoing Operations)	\$1,500,000	
Enhanced Shelter	\$11,521,741	Hotel master leasing and operations
Outreach & Engagement	\$572,465	
Permanent Supportive Housing	\$12,649,583	Master Leasing, Rental Assistance, Operating Costs
KCRHA Administrative and Direct Services (1)	\$3,970,761	
Total	\$49,214,550	
(1) Includes one-time funds		

KCRHA Final Budget

KCRHA 2023 Funding	Amount
2023 Continued Programs	\$132,078,313
KCRHA Operations, Administration & Direct Services (1)	\$18,707,190
City of Seattle Incremental Budget Changes (1) (2) (3)	\$19,237,337
King County Incremental Budget Changes	\$38,083,148
Department of Commerce Funding (4)	\$45,243,789
TOTAL KCRHA 2023 BUDGET (2) (5)	\$253,349,777

- (1) Only includes funding anticipated to transfer to the KCRHA, does not the full amount adopted for homeless service provider contract inflation for HSD contracts not administered by the RHA. Anticipated contract inflation for the KCRHA Operations and Administration is included in the \$18.7M above
- (2) Does not include 2024 funding in the King County and City of Seattle biennial budgets. Board is accepting the KCRHA's 2023 Final Budget
- (3) Provider contract inflation amount is for HSD's homelessness service provider contracts. The portion of this amount transferring to the KCRHA for KCRHA-administered contracts will be provided by the City of Seattle in January 2023. The full amount listed here is not included in the KCRHA 2023 budget. KCRHA 2023 Final Budget includes the anticipated amount to transfer
- (4) Commerce funding for administration and direct services are included in the KCRHA Operations, Administration & Direct Services
- (5) 2024 funding approved by the City of Seattle and King County is not included in the 2023 Total Budget presented for approval

DISCUSSION

Recommended Action:

**Approve Resolution Adopting the KCRHA's
2023 Budget**



Action Items

1. Approve the attached Resolution Adopting of the King County Regional Homelessness Authority 2023 Final Budget



Governing Committee

Resolution No. 2022-03



A RESOLUTION OF THE GOVERNING COMMITTEE OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY TO APPROVE THE AUTHORITY'S 2023 FINAL BUDGET

WHEREAS, Article VIII Sec. 2b(ii) of the Interlocal Agreement for the Establishment of the King County Regional Homelessness Authority (the "Interlocal Agreement") requires an affirmative vote of a two-thirds of the members present, provided quorum requirements are met, approve the Authority's annual budget; and

WHEREAS, in May 2022, the Implementation Board recommended and the Governing Committee adopted a projected budget to be transmitted to the City of Seattle and King County for consideration; and

WHEREAS, in June 2022 the King County Regional Homelessness Authority submitted the proposed budget approved by the Implementation Board and Governing Committee; and

WHEREAS, King County and the City of Seattle have passed their respective budgets for 2023, which include their contributions to the Authority; and

WHEREAS, the Authority has also identified funding from the Federal and State governments and other entities to support its work,

NOW THEREFORE BE IT RESOLVED BY THE GOVERNING COMMITTEE OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY:

Section 1: The Governing Committee approves the final 2023 budget for the King County Regional Homelessness Authority.

Section 2: This resolution shall take effect and be in full force upon passage.

Passed by a majority of the Implementation Board pursuant to the terms of the Interlocal Agreement at a regular meeting held the 15th day of December 2022.

Signed,

Roosevelt McQuarter Jr., Chair, Governing Committee
King County Regional Homelessness Authority