

Implementation Board Regular Meeting Agenda



Meeting Date: May 8, 2024

Time	Item
1:00pm – 1:05pm	<p>Welcome and Settling In</p> <ol style="list-style-type: none"> 1. Welcome, Roll Call of Implementation Board- Members, Mission Statement, and Theory of Change (Benjamin Maritz) 2. Land Acknowledgement (Benjamin Maritz) 3. Public Comment Sign-Up (Benjamin Maritz) <ul style="list-style-type: none"> - Public comment will be 15 minutes. - Public comment must directly address a portion of the agenda. - Each person will have 2 minutes for public comment. <p><i>Result: Everyone feels welcomed and participants are confirmed.</i></p>
1:05pm – 1:10pm	<p>Consent Agenda (Benjamin Maritz)</p> <ol style="list-style-type: none"> 1. March 2024 Regular Meeting Minutes <p><i>Result: Board members will vote to approve/disapprove.</i></p>
1:10pm – 1:25pm	<p>Public Comment (Austin Christoffersen)</p> <p><i>Result: Public comment is heard.</i></p>
1:25pm – 1:50pm	<p>2025 Budget Request (Tiffany Brooks, James Rouse, & Jeff Simms)</p> <p><i>Results: The IB will vote on the 2025 Budget Request.</i></p>
1:50pm – 2:00pm	<p>NPAG & CEO Search Introduction (Julian Jackson)</p> <p><i>Result: The IB will receive a presentation on the 2025 Budget.</i></p>

2:00pm – 2:45pm	Candidate A Interview Time (Julian Jackson) <i>Result: The IB will interview Candidate A in the CEO Search Process.</i>
2:45pm – 2:50pm	5 min. Intermission (Implementation Board) <i>Result: The IB will have five minute break as staff moves on to candidate B.</i>
2:55pm – 3:40pm	Candidate B Interview Time (Julian Jackson) <i>Result: The IB will interview Candidate B in the CEO Search Process.</i>
3:40pm – 3:45pm	Adjourn (Benjamin Maritz) <i>Result: The IB will Adjourn until their next meeting on May 10th, 2024.</i>

Board Chair: Benjamin Maritz

Clerk: Austin Christoffersen

May 8, 2024 (1:00pm – 4:00pm)

Mission: The mission of the King County Regional Homelessness Authority is to significantly decrease the incidence of homelessness throughout King County by centering customer voices to respond to needs and eliminate inequities.

Theory of Change: If we create a homeless response system that centers on customer voice, then we will be able to focus on meeting needs and eliminating inequities, in order to end homelessness for all.

NOTICE: The Board can be called in to Executive Session as needed, pursuant to RCW 42.30.110

Implementation Board

King County Regional Homelessness Authority

KCRHA Implementation Board Meeting Minutes

Wednesday, April 10, 2024

2:00pm to 4:00pm

Chair: Benjamin Maritz

Roll Call:

Last	First	Present	Absent	Notes
Anderson	Carey	X		
Camino	Nate	X		
Carvalho	Paula		X	
Chelminak	John		X	
Maritz	Ben	X		
McHenry	Gordon	X		
Pattenaude	Damien		X	
Floyd	Zsa Zsa	X		
Reddy	Simha	X		
Ross	Christopher	X		
Brandon	Okesha		X	
Marvin	Futrell	X		Alternate For Vacant LE Seat

A quorum is present with 8 members

Land Acknowledgement – Benjamin Maritz

Motion to Amend Agenda – Simha Reddy

- Motion to Strike the Northgate Lease from Agenda
 - Motioned by Simha Reddy, Seconded by Zsa Zsa Floyd
 - Motion passes unanimously via voice vote

Consent Agenda – Benjamin Maritz

- Approval of the March 2024
 - Motioned by Member Reddy; Seconded by Member Maritz
 - Passed unanimously via Voice Vote

CEO Update – Darrell Powell

Public Comment – Austin Christoffersen

- Seattle City Hall
 - Harold Odom
- Zoom
 - Bill Kirlin-Hackett
 - Ruby Tuesday
 - Mike Mathias

Operational Workplan Presentation – Jeff Simms

Implementation Board
King County Regional Homelessness Authority

Meeting Adjourned – 2:43pm

- Motioned by Member Floyd; Seconded by Member McHenry Jr.

DRAFT



Memorandum

To: KCRHA Implementation Board

From: Darrell Powell, Interim Chief Executive Officer

CC: Jeff Simms, Tiffany Brooks, Mahnur Khan, and James Rouse

Subject: 2025 Budget Proposal for Submission to King County and the City of Seattle

Date: May 2, 2024

Status: Informational [] Decisional [X] Critical Incident Follow-up []

I. Summary & Recommendation

KCRHA recommends that the Implementation Board (IB) and Governing Committee (GC) approve a revised version of the proposed budget request for 2025 for submission to the City of Seattle and King County (hereafter referred to as the “Revised Request”). The Revised Request aligns with the funding guidance provided from the City and County but is expected to result in some program closures due to the loss of one-time funds, including as many as 300 shelter beds, 265 households receiving diversion services, additional services at tiny home villages, and a Central District Shelter that specializes in serving Black men. The Revised Request is discussed in detail below and results in a total funding level of \$230 million, a \$6.9 million increase above KCRHA’s 2024 budget (the majority of the Revised Request maintains projects that are funded in 2024).

II. Background

KCRHA projects to have a total budget of \$230 million in 2025 (assuming current statutory requirements are met), with the City of Seattle providing \$96.9 million (42%) and King County providing \$42.8 million (19%). However, that funding level does not maintain multiple services that are fully funded in 2024 and does not uniformly provide an inflationary increase to ensure programs are not destabilized.

Beginning in September 2020, the City of Seattle funded numerous changes in service delivery for 17 projects at 12 different homelessness services agencies. Those changes were initially implemented using one-time funding and have subsequently been continued for the last four

fiscal years, every time utilizing one-time funding. The most recent extension of these programs was possible because unrelated, new program expansions that were funded in 2023 were provided a full year of operational funding, even though services would not commence until months into the year. KCRHA received authorization in the late summer to carryforward funds for those new services into 2024 to address this program cliff. Last year, Seattle also provided these projects an inflationary increase and funding to increase staff wages, though these additions were also one-time funds. As a result, these programs face a \$5.9 million funding cliff in 2025. Based on information obtained from potentially-affected agencies in the summer of 2023, KCRHA estimates a likely loss of as many as 300 shelter beds and the inability to prevent homelessness for over 265 additional households if the projected funding cliff is realized.

KCRHA's contracts with a large-scale operator of tiny home villages (THVs) that will likely need to reduce service levels in 2024 and 2025 due to the loss of one-time funding. Seattle provided \$2.5 million in one-time funding in 2023 and \$1,000,000 in 2024 to support staffing and behavioral health services across several of these THVs, meaning a reduction of \$1.5 million in 2024 relative to the prior year. The operator is expected to provide a proposal for how it will absorb the reduction of that funding in 2024, and KCRHA will work with the operator to minimize the impact that loss of funding will have. However, \$500,000 of the funding provided in 2024 is one-time, and further reductions in service levels will be necessary in 2025 if those funds are not extended.

A shelter in the Central District that specializes in serving Black men received \$2.2 million Coronavirus Local Fiscal Recovery (CLFR) funds annually from 2022-2024, its first three years of operations. The total budget for that program in 2024 is \$4.8 million. Although there were early discussions around turning the location into a permanent housing facility, there is no indication such a change will occur in the next year or more. Beginning in 2025, operational funds will be necessary to maintain the shelter or the 125-bed facility would likely close or substantially reduce its capacity.

Some projects that originated with King County also face funding uncertainty in 2025. King County utilized one-time funding to open several new projects in early 2021 in response to the COVID-19 pandemic, which includes 169 shelter beds, two outreach agencies, and a day center. In early 2024, King County transferred these programs to KCRHA. If funding is not identified to maintain these programs, they would presumably close in 2025.

In addition to the projects that face a funding cliff, the Federal Continuum of Care (CoC) contracts that are administered by KCRHA do not include ongoing budget enhancements to account for inflationary increases to keep up pace with the cost of doing business and to ensure that agencies are funded to compensate staff at livable wages. The City of Seattle previously held numerous contracts supported by CoC funds, and, during the period those contracts were



held by the City of Seattle, [SMC 3.20.060](#) required that those contracts receive an annual inflationary increase. When those contracts were transferred to KCRHA, the statutory requirement no longer applied, though no other funding is available to ensure those contracts keep pace with inflation. For the last two years, the Seattle City Council has provided funding to ensure these contracts are treated the same as the homelessness contracts whose Federal funding still passes through Seattle before being transferred to KCRHA. Omitting an inflationary increase for some homelessness contracts is likely to reduce the impact of the other inflationary increase for other services because agencies must spread those increased funds across all of their contracts.

Finally, contracts that rely on funding provided by King County have not always been provided with an inflationary increase in order to keep pace with the increased cost of providing services. In 2023, King County provided an “enhancement” using one-time funds that was not maintained in 2024. In 2024, King County provided another one-time “enhancement” increase to match the City of Seattle’s 9.5% provider contract increase (7.5% costs of living inflationary increase and 2% wage increase). If ongoing funding is not identified to maintain the 2024 enhancement or provide further inflationary increases, projects supported through funding from King County would receive a de facto cut in 2025, as their contract did not keep pace with rising costs, and a real cut due to the loss of the “enhancement” provided in the 2024. For the agencies that receive both City and County funding, it is likely that this funding situation would offset the impacts of Seattle’s inflationary increase, including any impact that the inflationary increase would have had on wages for staff.

Due to the convergence of these multiple areas of funding uncertainty, KCRHA’s recommendation of the Revised Request does not maintain existing service delivery levels despite proposing an increase in funding.

III. Budget Submission Guidance

KCRHA received funding guidance from King County and the City of Seattle on what funding levels and approaches to take in preparing a proposed budget request for 2025 and 2026.

King County’s guidance from March 6, 2024 instructs KCRHA to assume that “all state and federal funding sources passing through King County to the KCRHA continue” and to assume that support from Document Recording Fees do not decrease. The guidance received is silent on what to assume regarding inflationary increases for existing contracts in 2025 and does not dictate an overall funding level. As a result, the Revised Request continues the proposed amounts for King County that were originally presented in the [Stability Budget](#). That total is a notable increase in County funding in 2025 relative to previously projected amounts but is believed to be in line with King County’s intentions for 2025.



The City of Seattle provided guidance on April 25, 2024 instructing KCRHA to:

- Implement a 1 percent reduction (\$871,381) in the amount of City of Seattle General Fund (GF) that it receives;
- Submit an application via HSD to apply for continuation of \$3.2 million in Community Development Block Grant Funds (CDBG) that pass from the Federal government through Seattle (no guarantee of approval for 2025);
- Continue to follow the February 16, 2024 guidance that homelessness outreach and prevention funding will not be provided to KCRHA in 2025; and
- Not propose any other funding increase “unless it is offset by reductions or is revenue-backed.”

The aggregate effect of these actions is a 14% reduction of City of Seattle funding for KCRHA.

Conversations with Seattle’s Human Services Department (HSD) about this guidance lead KCRHA to understand that inflationary increases would likely be provided after making the instructed reductions (i.e., the reductions are treated as changes to the base from which the final 2025 funding will be built). As a result, KCRHA anticipates that an inflationary increase will be provided for contracts after achieving the requested reductions.

IV. Approach

KCRHA recommends for its boards a proposed budget request that reduces service levels from the current year but meets funding guidance provided by the City of Seattle and King County (Revised Request). This recommendation is less than the [Stabilization Request](#) originally discussed with the IB in March 2024.

The Revised Request retains the requests for King County discussed in the previously submitted Stability Request and achieves the target set by the City of Seattle by allowing all programs with one-time funding to ramp down their services at the end of 2024. In addition, KCRHA would plan for a 1.27 percent across the board reduction of all contracts that are supported by City of Seattle GF (except in cases where funding is used as a federal match). Paired with the anticipated inflationary increase for contracts in 2025 and 2026, this would avoid contracts being reduced relative to the 2024 funding level. However, failing to keep pace with the rate of inflation destabilizes KCRHA’s contracted agencies. So KCRHA will examine contracts that have underspent their awards in 2022 and 2023 to see if savings can first be achieved there before implementing an across-the-board reduction. The Revised Request continues to include the full amount of CDBG funding that Seattle has previously provided for shelter services, under the assumption that KCRHA’s application to maintain those vital services will be accepted.



The City of Seattle will endorse a budget amount for 2026 when it adopts its 2025 budget, and KCRHA is asked to also discuss its requests for that second year of the biennium. At this time, KCRHA's request to the City of Seattle for 2026 seeks to maintain existing programs and keep pace with inflation. King County is only developing a one-year budget this cycle, instead of its typical biennial approach to budgeting.

KCRHA expects to undertake a re-procurement of its contracts after permanent leadership is in place. Some degree of ramp-down funding would likely be necessary to support the sunsetting of any programs that do not succeed in that system-wide re-procurement. KCRHA will collaborate with the City of Seattle and King County as clearer timelines for that process become available to plan for any program transitions that could be necessary.

IV. Proposed Incremental Changes for Revised Request

The Revised Request recommended by KCRHA includes the following incremental additions (see Table 1). These incremental budget changes are presented in priority order separated by the entity that provides the funding. It is important to note that the Revised Request assumes no funding is provided in 2025 for homelessness prevention or outreach from the City of Seattle.

Table 1: Incremental Budget Increases in the Revised Request for 2025

Change	Cost	Proposed Funder
1. Statutorily Required Inflationary Increase	\$2,351,058	City of Seattle
2. Inflationary Increase for CoC Contracts	\$530,223	City of Seattle
3. Maintain CDBG Funding for Shelters	\$3,178,870	City of Seattle
Subtotal: Seattle	\$6,060,151	
1. Bitfocus/HMIS Contract Increase	\$300,000	King County
2. Prevent Program Closures	\$4,244,990	King County
3. Inflationary Increase for County Funded Projects (Maintain 2024 and add 2.5% in 2025)	\$6,617,466	King County
4. Severe Weather Response Expansion	\$225,000	King County
Subtotal: King County	\$11,387,456	
Total	\$17,447,607	

Changes Requested of the City of Seattle

1. *Statutorily Required Inflationary Increase (\$2,351,058)*: Seattle law ([SMC 3.20.060](#)) requires that homelessness contracts funded by the City of Seattle must receive an annual contract increase commensurate with inflation. This requested increase complies with that statutory requirement and ensures that providers are not destabilized, including allowing for increased staff wages to minimize vacancies and turnover.



2. *Inflationary Increase for Continuum of Care Contracts (\$530,223)*: This change, which Seattle has provided since these contracts transferred to KCRHA, ensures that agencies administering these funds are not destabilized and can maintain or increase the wages paid to their staff. The amount aligns with the inflationary increase anticipated for homelessness services contracts funded by the City of Seattle and required by municipal law ([SMC 3.20.060](#)). In addition to providing these funds, KCRHA proposes that Seattle amend the statute to include these programs in the existing statutory requirement.
3. *Maintain CDBG Funding (\$3,178,870)*: KCRHA requests the continuation of \$3.2 million that have been used to support the operations of emergency shelter programs. KCRHA will follow the guidance received from HSD on May 1, 2024 to submit proposals for projects that include CDBG funds. That guidance clarifies that no project that received City of Seattle CDBG funding in 2024 will be guaranteed CDBG funding in 2025. KCRHA will also explore utilizing this opportunity to receive more CDBG funding in 2025 than it has historically received.

Changes Requested of King County

1. *Bitfocus/HMIS Cost Increase (\$300,000)*: This funding increase would provide sufficient resources to maintain the Homelessness Management Information System (HMIS), which has historically been funded with both county and Federal funds. The cost of KCRHA's HMIS contract will increase by \$300,000 for the contract cycle beginning in 2024 and extending through 2026 as a result of having more providers within the Bitfocus/HMIS system. This new rate is fixed for 2024 through 2026. No additional increase will be recognized through 2026. Failure to maintain this system would cause substantial service disruption and put the receipt of Federal and State funds at risk.
2. *Prevent Program Closures (\$4.2 million)*: This change would maintain the 6 projects across 4 agencies that were established by King County using one-time COVID funding. This amount assumes King County will provide a funding enhancement in 2024 that maintains the enhancement from 2023 and provides an inflationary increase and wages increase for 2024, similar to the City of Seattle. A further increase of 2.5 percent is included to match estimated inflationary amounts in 2025.
3. *Inflationary Increase for County-Funded Projects (\$6.6 million)*: Unlike Seattle, King County does not have a statutory requirement to provide annual inflationary increases for homelessness contracts. This change would ensure that all KCRHA contracts receive the same inflationary increase regardless of funding source for the contract. If such a change is not provided, agencies that historically held both City and County contracts are likely to realize less benefit from the full inflationary increase provided by Seattle, including on



wages at these providers, resulting in the loss of one-time enhancement funding provided by King County in 2023 and 2024. This amount assumes King County will provide a funding enhancement in 2024 that maintains the enhancement from 2023 and provides an inflationary increase and wages increase for 2024, similar to the City of Seattle. Exploration of such an increase is currently underway. The \$6.6 million includes a further increase of 2.5 percent to reflect inflation in 2025.

4. *Severe Weather Response (\$225,000)*: This increase stabilizes the county-wide response to severe weather. KCRHA currently holds contracts to staff severe weather shelters when conditions outdoors dictate the maximum severe weather response and provide supplies for providers to expand capacity during less intense severe weather events. This increase would support contracts, likely similar to those funded by the City of Seattle, which allow for the activation of additional severe weather shelters to provide severe weather capacity for hundreds of additional people.

In total, these incremental changes result in a Revised Request that is an increase of \$17 million.

Proposed Changes in 2026

Based on the amounts proposed in the Revised Request for 2025, KCRHA's proposal includes an inflationary adjustment of 2.5 percent for all contracts in 2026. For the City of Seattle, providing an inflationary adjustment for all contracts, including CoC contracts, requires \$402,191 in additional funding.

IV. Impacts of Revised Request

The Revised Request, by complying with the funding guidance given by the City of Seattle, is expected to result in the loss of services in 2025 (based on information received from potentially affected agencies), specifically:

- Lose as many as 300 emergency shelter beds that have been reliant on one-time funding since September 2020;
- Prevent homelessness for at least 265 fewer households that otherwise would have been housed using diversion funding;
- Reduce the level of supports offered at tiny home villages (e.g., behavioral health supports) or reduce the number of beds in tiny home villages; and
- Close or reduce capacity at a Central District Shelter that serves Black men.

KCRHA will seek to mitigate these potential impacts in how it implements reductions, particularly by examining any contracts that were not fully invoiced in prior years. In addition, if KCRHA is provided a different funding level, it would seek to maintain these programs.



VII. Next Steps

The Revised Request will be presented to the Implementation Board on May 8, 2024, with the expectation that the IB will vote to recommend the Revised Request to the GC for approval. KCRHA has proposed to the GC chairs that they take action on the Revised Request at a subsequent special meeting to ensure their approval before the June 3, 2024 submission deadlines for King County and the City of Seattle.



KCRHA Proposed 2025-26 Budget

Implementation Board
May 8, 2024



KCRHA
King County Regional Homelessness Authority

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 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 2025



2025 Proposed Budget



2025 Proposed Budget

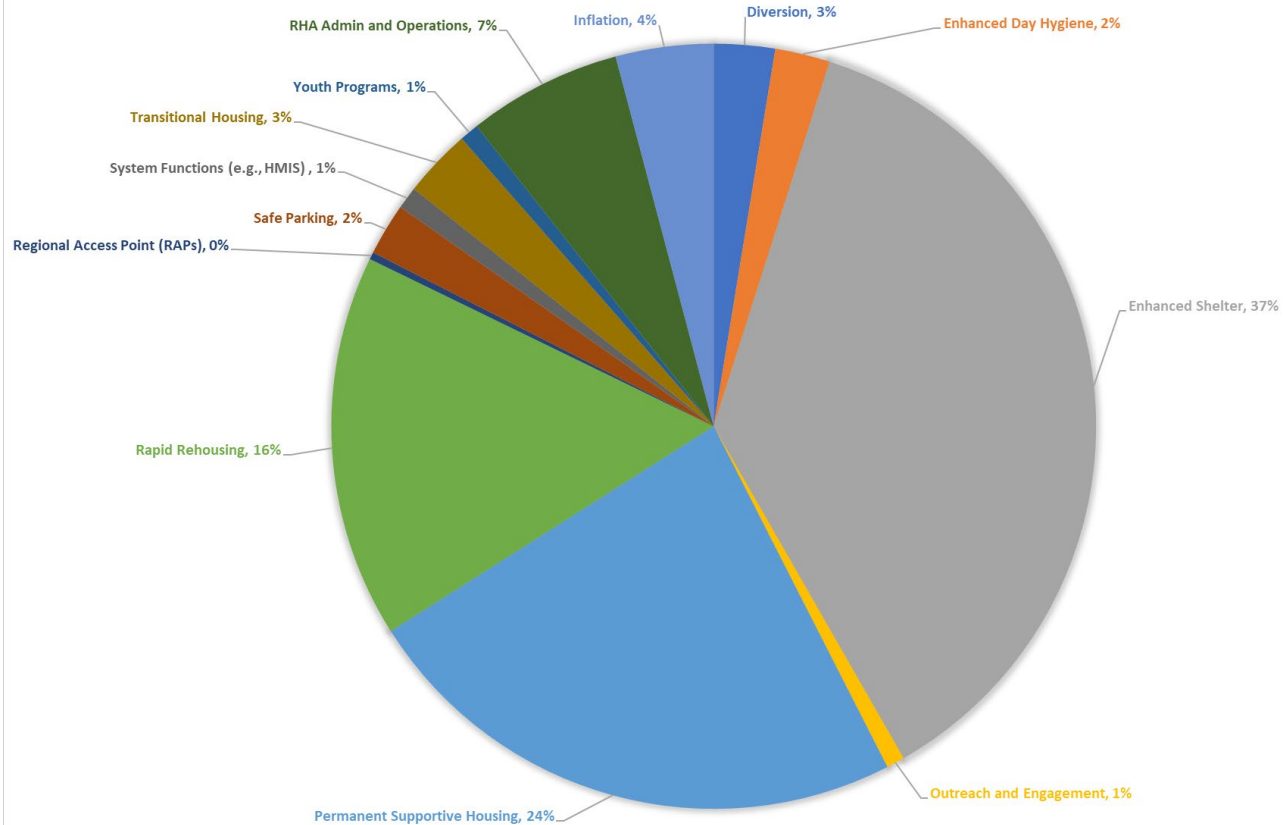
Program	2024 Revised Budget	2025 Proposed Budget	City of Seattle	King County	North King County ILA	HUD Continuum of Care	Department of Commerce Right of Way	2025 Proposed Budget
Diversion	\$ 6,235,164	\$ 5,938,809	\$ 2,336,857	\$ -	\$ -	\$ 3,601,952	\$ -	\$ 5,938,809
Enhanced Day Hygiene	\$ 4,740,354	\$ 5,341,402	\$ 4,303,343	\$ 1,038,060	\$ -	\$ -	\$ -	\$ 5,341,402
Enhanced Shelter	\$ 70,007,977	\$ 84,701,718	\$ 59,824,335	\$ 21,879,836	\$ 62,047	\$ -	\$ 2,935,501	\$ 84,701,718
Outreach and Engagement	\$ 7,737,265	\$ 1,762,611	\$ -	\$ 1,120,000	\$ -	\$ -	\$ 642,611	\$ 1,762,611
Permanent Supportive Housing	\$ 45,903,520	\$ 54,088,464	\$ 7,517,772	\$ -	\$ -	\$ 32,493,400	\$ 14,077,292	\$ 54,088,464
Prevention	\$ 3,813,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rapid Rehousing	\$ 33,718,991	\$ 37,256,248	\$ 7,089,278	\$ 5,363,207	\$ -	\$ 24,803,763	\$ -	\$ 37,256,248
Regional Access Point (RAPs)	\$ 593,534	\$ 703,534	\$ -	\$ 703,534	\$ -	\$ -	\$ -	\$ 703,534
Safe Parking	\$ 4,221,249	\$ 5,074,451	\$ 5,074,451	\$ -	\$ -	\$ -	\$ -	\$ 5,074,451
System Functions (e.g., HMIS)	\$ 1,447,020	\$ 2,173,432	\$ 121,412	\$ 2,052,020	\$ -	\$ -	\$ -	\$ 2,173,432
Transitional Housing	\$ 5,527,831	\$ 6,648,792	\$ 2,881,572	\$ 551,840	\$ -	\$ 3,215,380	\$ -	\$ 6,648,792
Villages	\$ 14,645,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Youth Programs	\$ 1,611,990	\$ 1,861,990	\$ -	\$ 780,000	\$ -	\$ 1,081,990	\$ -	\$ 1,861,990
RHA Admin and Operations	\$ 15,274,517	\$ 14,984,301	\$ 4,893,297	\$ 2,720,888	\$ -	\$ 4,039,805	\$ 3,330,311	\$ 14,984,301
Partnership for Zero (PfZ)	\$ 2,284,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation (1)	\$ 5,332,604	\$ 9,498,747	\$ 2,881,281	\$ 6,617,466	\$ -	\$ -	\$ -	\$ 9,498,747
Total (2)	\$ 223,095,029	\$ 230,034,499	\$ 96,923,599	\$ 42,826,850	\$ 62,047	\$ 69,236,290	\$ 20,985,714	\$ 230,034,499

(1) Projected Inflationary Increase 2.5%

(2) HEN fund source removed

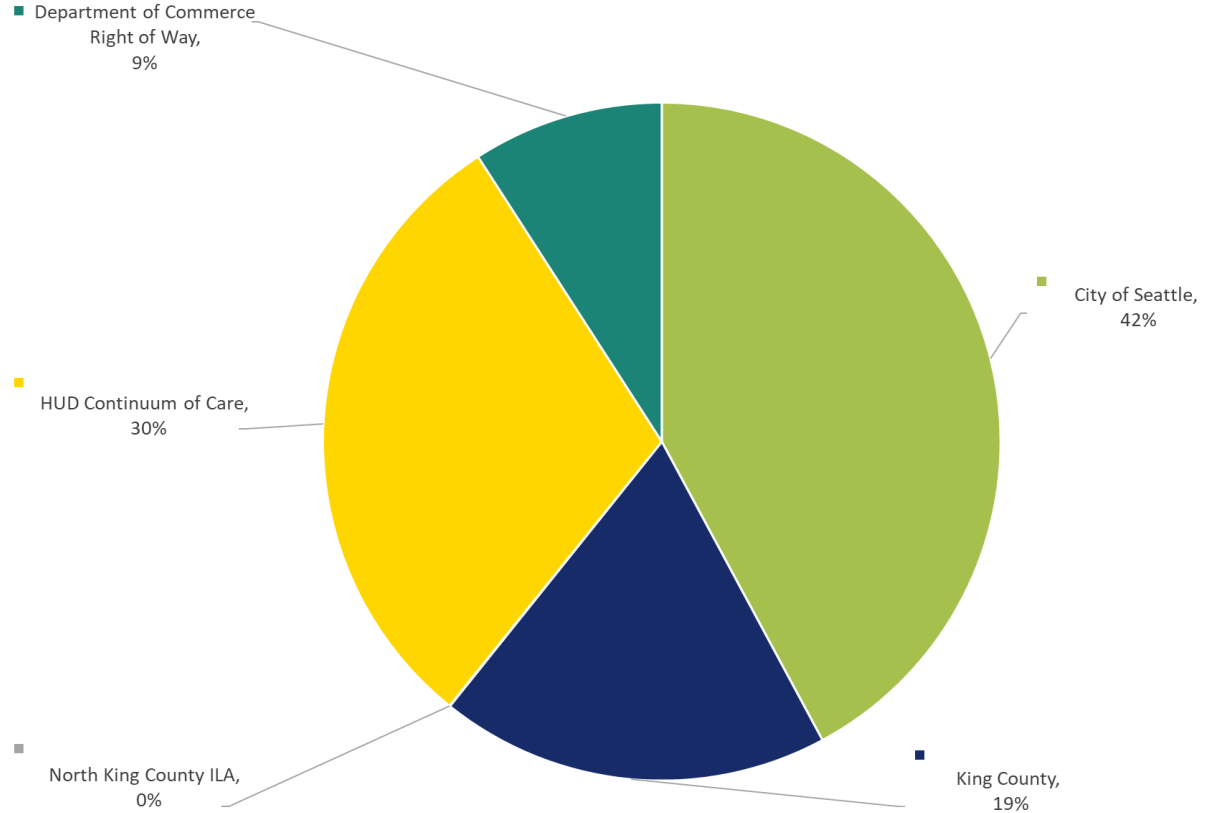
2025 Proposed Funding by Program

Program	2025 Proposed Budget	%
Diversion	5,938,809.18	2.58%
Enhanced Day Hygiene	5,341,402.19	2.32%
Enhanced Shelter	84,701,718.02	36.82%
Outreach and Engagement	1,762,610.50	0.77%
Permanent Supportive Housing	54,088,464.18	23.51%
Rapid Rehousing	37,256,247.93	16.20%
Regional Access Point (RAPs)	703,534.00	0.31%
Safe Parking	5,074,451.30	2.21%
System Functions (e.g., HMIS)	2,173,432.00	0.94%
Transitional Housing	6,648,792.18	2.89%
Youth Programs	1,861,990.00	0.81%
RHA Admin and Operations	14,984,300.56	6.51%
Inflation	9,498,746.94	4.13%
Total	230,034,498.99	100.00%



Diversifying Funding Sources

Funder	Amount
City of Seattle	\$ 96,923,599
King County	\$ 42,826,850
North King County ILA	\$ 62,047
HUD Continuum of Care	\$ 69,236,290
Department of Commerce Right of Way	\$ 20,985,714
Total	\$ 230,034,499



2025 Incremental Budget Increases

Change	Cost	Proposed Funder
1. Statutorily Required Inflationary Increase	\$2,351,058	City of Seattle
2. Inflationary Increase for CoC Contracts	\$530,223	City of Seattle
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1. Bitfocus/HMIS Contract Increase	\$300,000	King County
2. Prevent Program Closures	\$4,244,990	King County
3. Inflationary Increase for County Funded Projects (Maintain 2024 and add 2.5% in 2025)	\$6,617,466	King County
4. Severe Weather Response Expansion	\$225,000	King County
Subtotal: King County	\$11,387,456	
Total	\$17,447,607	

2025 Incremental Budget Change – City of Seattle

Statutorily Required Inflationary Increase \$2,351,058: This requested increase complies with Seattle law ([SMC 3.20.060](#)) statutory requirement and ensures that providers are not destabilized, including allowing for increased staff wages to minimize vacancies and turnover.

Inflationary Increase for Continuum of Care Contracts \$530,223: This change ensures that agencies administering CoC funds are not destabilized and can maintain or increase the wages paid to their staff.

Maintain CDBG Funding for Shelters \$3,178,870: Request to maintain shelter operations at sites currently receiving CDBG funds.

1% Reduction per City of Seattle budget guidance (\$871,381): City of Seattle General Fund receive 1% reduction across Diversion, Enhanced Day Hygiene, Enhanced Shelter and Safe Parking.

One-time funding going away(\$2,635,000): Diversion loses \$1M, Enhanced Shelter loses \$1.1M and Safe Parking \$534K.

CDBG must submit proposal for 2025 (\$3,178,870): This new process for allocation of 2025 Community Development Block Grant (CDBG) funds will be considered during summer budget deliberation process by the Mayor's Office. No project that received City of Seattle 2024 CDBG funding will be guaranteed 2025 CDBG funding. This impacts (\$3.1M) for The Salvation Army project SoDo (\$2.6M) and Seattle Indian Center (\$509K).

2025 Incremental Budget Change – King County

Bitfocus/HMIS Cost Increase \$300,000: This funding increase would provide sufficient resources to maintain the Homelessness Management Information System (HMIS) contract increase of \$300,000 for the contract cycle beginning in 2024 and extending through 2026. Failure to maintain this system would cause substantial service disruption and put the receipt of Federal and State funds at risk.

Prevent Program Closures \$4.2 million: Maintains 6 projects across 4 agencies that were established by King County using one-time COVID funding. This amount assumes King County will provide a funding enhancement in 2024 that maintains the enhancement from 2023 and provides an inflationary increase and wages increase for 2024, similar to the City of Seattle. A further increase of 2.5 percent is included to match estimated inflationary amounts in 2025.

Inflationary Increase for County-Funded Projects \$6.6 million: This amount assumes King County will provide a funding enhancement in 2024 that maintains the enhancement from 2023 and provides an inflationary increase and wages increase for 2024, similar to the City of Seattle. This request will prevent the loss of wage increases and one-time funding from King County and includes a further increase of 2.5 percent to reflect inflation in 2025.

Severe Weather Response \$225,000: This increase stabilizes the county-wide response to severe weather. KCRHA currently holds contracts to staff severe weather shelters when conditions outdoors dictate the maximum severe weather response and provide supplies for providers to expand capacity during less intense severe weather events. This increase would support contracts, likely similar to those funded by the City of Seattle, which allow for the activation of additional severe weather shelters to provide severe weather capacity for hundreds of additional people.

2025 Proposed Budget Funding by Source

[Schedule B]

Source	Amount	%
City of Seattle		
- Emergency Solutions Grant (ESG)	\$800,474	0.3%
- General Fund (GF)	\$85,933,071	37.4%
- Office Of Housing Housing Levy (HL)	\$428,951	0.2%
- Short Term Rental Tax (STRT)	\$3,700,952	1.6%
- Community Development Block Grant (CDBG) [2025 Budget Request]	\$3,178,870	1.4%
- Projected Inflationary Increase 2.5% [2025 Budget Request]	\$2,881,281	1.3%
Subtotal City of Seattle	\$96,923,599	42.1%
King County		
- Document Recording Fees (DRF)	\$3,487,022	1.5%
- General Fund (GF)	\$1,000,000	0.4%
- Rental Assistance Housing Program (RAHP)	\$319,700	0.1%
- Consolidated Homeless Grant (CHG)	\$4,875,038	2.1%
- Emergency Solutions Grant (ESG)	\$143,269	0.1%
- Community Development Block Grant (CDBG)	\$378,534	0.2%
- Emergency Housing Fund (EHF)	\$14,146,084	6.1%
- Veterans, Seniors, Housing, Services Levy (VSHSL)	\$1,663,650	0.7%
- American Rescue Plan (ARPA)/ Coronavirus State and Local Fiscal Recovery Funds (CLFR)	\$3,366,104	1.5%
- Community Development Block Grant (CARES)	\$110,000	0.0%
- State Emergency Solutions Grant (SESG)	\$868,491	0.4%
- Lodging Tax	\$659,000	0.3%
- In Kind (Rent)	\$422,502	0.2%
- Bitfocus/HMIS Contract Increase [2025 Budget Request]	\$300,000	0.1%
- Prevent Program Closures [2025 Budget Request]	\$4,244,990	1.8%
- Severe Weather Response Expansion [2025 Budget Request]	\$6,617,466	2.9%
- Projected Inflationary Increase 2.5% [2025 Budget Request]	\$225,000	0.1%
Subtotal King County	\$42,826,850	18.6%
Other Sources		
- North King County ILA	\$62,047	0.0%
- HUD Continuum of Care (CoC)	\$69,236,290	30.1%
- Department of Commerce Right of Way Program	\$20,985,714	9.1%
Subtotal Other Sources	\$90,284,050	39.2%
Total 2025 RHA Funding	\$230,034,499	100.0%

City of Seattle 2025 Proposed Funding by Source

[Schedule C]

Program	City of Seattle: \$96,923,599								
	Recapture of Outreach and Prevention	ESG	General Fund	OH Housing Levy	Short Term Rental Tax	1% Reduction to General Fund	Projected Inflationary Increase 2.5%	CDBG Requests	2025 Total Projected Budget
Diversion		\$ -	\$ 2,366,845	\$ -	\$ -	\$ (29,988)	\$ 58,421	\$ -	\$ 2,395,279
Enhanced Day Hygiene		\$ -	\$ 4,358,565	\$ -	\$ -	\$ (55,222)	\$ 107,584	\$ -	\$ 4,410,926
Enhanced Shelter		\$ 480,283	\$ 56,910,835	\$ -	\$ -	\$ (721,053)	\$ 1,495,608	\$ 3,154,270	\$ 61,319,943
Outreach and Engagement	\$ (8,038,596)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Permanent Supportive Housing		\$ -	\$ 3,938,232	\$ -	\$ 3,700,952		\$ 190,980	\$ -	\$ 7,830,164
Prevention	\$ (3,412,850)	\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Rapid Rehousing		\$ 320,191	\$ 6,340,136	\$ 428,951	\$ -		\$ 177,232	\$ -	\$ 7,266,510
RAPs		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Safe Parking		\$ -	\$ 5,139,569	\$ -	\$ -	\$ (65,118)	\$ 126,861	\$ -	\$ 5,201,313
System Functions (e.g., HMIS)		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Transitional Housing		\$ -	\$ 2,881,572	\$ -	\$ -		\$ 72,039	\$ -	\$ 2,953,611
Villages		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Youth Programs		\$ -	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
RHA Admin and Operations		\$ -	\$ 4,868,697	\$ -	\$ -		\$ 122,332	\$ 24,600	\$ 5,015,630
Inflation							\$ 530,223		\$ 530,223
Total	\$ (11,451,446)	\$ 800,474	\$ 86,804,452	\$ 428,951	\$ 3,700,952	\$ (871,381)	\$ 2,881,281	\$ 3,178,870	\$ 96,923,599

King County 2025 Proposed Funding by Source

[Schedule C]

Program	King County: \$42,826,850														2025 Budget Request for Program Stabilization	Projected Total King County Budget
	CDBG	CDBG-CV	ESG (KC)	State ESG	CHG	EHF	DRF	RAHP	VSHSL	Lodging Tax	ARPA	GF	In-Kind			
Diversion	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enhanced Day Hygiene	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,038,060	\$ 1,038,060
Enhanced Shelter	\$ 180,000	\$ -	\$ 59,547	\$ 404,400	\$ 1,593,293	\$ 10,633,051	\$ 310,000	\$ 217,860	\$ 1,663,650	\$ 140,000	\$ 3,366,104	\$ 1,000,000	\$ -	\$ 2,311,931	\$ 21,879,836	
Outreach and Engagement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,120,000	\$ 1,120,000
Permanent Supportive Housing	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prevention	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rapid Rehousing	\$ -	\$ -	\$ 83,722	\$ 464,091	\$ 2,562,394	\$ 2,209,000	\$ -	\$ -	\$ -	\$ 44,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,363,207
RAPs	\$ 198,534	\$ 110,000	\$ -	\$ -	\$ -	\$ -	\$ 395,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 703,534
Safe Parking	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Functions (e.g., HMIS)	\$ -	\$ -	\$ -	\$ -	\$ 250,000	\$ -	\$ 1,502,020	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 2,052,020
Transitional Housing	\$ -	\$ -	\$ -	\$ -	\$ 115,000	\$ 140,000	\$ -	\$ 101,840	\$ -	\$ 195,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,840
Villages	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Youth Programs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 280,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 780,000
RHA Admin and Operations	\$ -	\$ -	\$ -	\$ -	\$ 354,351	\$ 1,164,033	\$ 780,002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 422,502	\$ -	\$ 2,720,888
Inflation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,617,466	\$ 6,617,466
Total	\$ 378,534	\$ 110,000	\$ 143,269	\$ 868,491	\$ 4,875,038	\$ 14,146,084	\$ 3,487,022	\$ 319,700	\$ 1,663,650	\$ 659,000	\$ 3,366,104	\$ 1,000,000	\$ 422,502	\$ 11,387,456	\$ 42,826,850	

Other Funding by Source

[Schedule C]

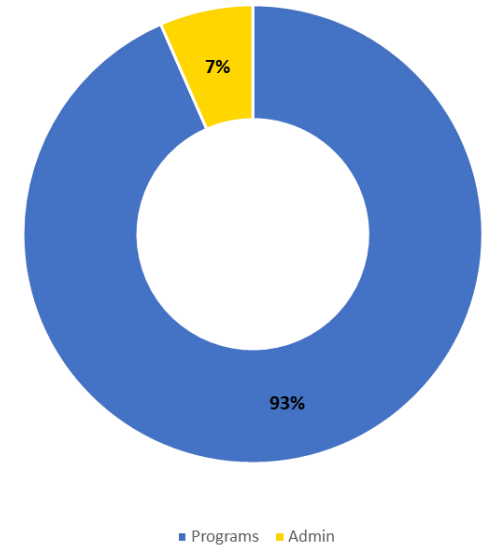
Program	Other Funding Sources: \$90,284,050			
	North King County ILA	HUD Continuum of Care	Department of Commerce Right of Way	2025 Projected Budget from Other Sources
Diversion	\$ -	\$ 3,601,952	\$ -	\$ 3,601,952
Enhanced Day Hygiene	\$ -	\$ -	\$ -	\$ -
Enhanced Shelter	\$ 62,047	\$ -	\$ 2,935,501	\$ 2,997,548
Outreach and Engagement	\$ -	\$ -	\$ 642,611	\$ 642,611
Permanent Supportive Housing	\$ -	\$ 32,493,400	\$ 14,077,292	\$ 46,570,692
Prevention	\$ -	\$ -	\$ -	\$ -
Rapid Rehousing	\$ -	\$ 24,803,763	\$ -	\$ 24,803,763
RAPs	\$ -	\$ -	\$ -	\$ -
Safe Parking	\$ -	\$ -	\$ -	\$ -
System Functions (e.g., HMIS)	\$ -	\$ -	\$ -	\$ -
Transitional Housing	\$ -	\$ 3,215,380	\$ -	\$ 3,215,380
Villages	\$ -	\$ -	\$ -	\$ -
Youth Programs	\$ -	\$ 1,081,990	\$ -	\$ 1,081,990
RHA Admin and Operations	\$ -	\$ 4,039,805	\$ 3,330,311	\$ 7,370,115
Inflation	\$ -	\$ -	\$ -	\$ -
Total	\$ 62,047	\$ 69,236,290	\$ 20,985,714	\$ 90,284,050

2025 RHA Operations and Admin Budget

[Schedule D]

Staffing	2025	Notes
CEO Team	\$2,267,597	Includes CEO, Deputy CEO, Chief of Staff, Sub-Regional Planning, Communications and Intergovernmental Relations, and Equity and Justice teams
Programs and Performance	\$4,750,981	
Community Impact	\$1,229,891	
Ombuds	\$856,671	
Operations	\$1,465,335	
Finance	\$3,297,098	
Subtotal Staffing	\$13,867,572	
Overhead		
Equipment	\$96,591	
Office Expenses	\$71,288	
Other Operating Cost	\$122,929	
Outreach	\$80,174	
Professional Services	\$294,788	
Software	\$150,788	
Rent (In-Kind):	\$422,502	
Subtotal Overhead	\$1,239,061	
		Includes projected Inflationary Increase for City of Seattle general fund (\$122,332) and \$24,600 CDBG
TOTAL Operations	\$15,106,633	
Operating as % of Program	7.02%	

KCRHA Operating Costs: 7%



2025 Proposed Budget

Program	2024 Revised Budget	2025 Proposed Budget	City of Seattle	King County	North King County ILA	HUD Continuum of Care	Department of Commerce Right of Way	2025 Proposed Budget
Diversion	\$ 6,235,164	\$ 5,938,809	\$ 2,336,857	\$ -	\$ -	\$ 3,601,952	\$ -	\$ 5,938,809
Enhanced Day Hygiene	\$ 4,740,354	\$ 5,341,402	\$ 4,303,343	\$ 1,038,060	\$ -	\$ -	\$ -	\$ 5,341,402
Enhanced Shelter	\$ 70,007,977	\$ 84,701,718	\$ 59,824,335	\$ 21,879,836	\$ 62,047	\$ -	\$ 2,935,501	\$ 84,701,718
Outreach and Engagement	\$ 7,737,265	\$ 1,762,611	\$ -	\$ 1,120,000	\$ -	\$ -	\$ 642,611	\$ 1,762,611
Permanent Supportive Housing	\$ 45,903,520	\$ 54,088,464	\$ 7,517,772	\$ -	\$ -	\$ 32,493,400	\$ 14,077,292	\$ 54,088,464
Prevention	\$ 3,813,560	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rapid Rehousing	\$ 33,718,991	\$ 37,256,248	\$ 7,089,278	\$ 5,363,207	\$ -	\$ 24,803,763	\$ -	\$ 37,256,248
Regional Access Point (RAPs)	\$ 593,534	\$ 703,534	\$ -	\$ 703,534	\$ -	\$ -	\$ -	\$ 703,534
Safe Parking	\$ 4,221,249	\$ 5,074,451	\$ 5,074,451	\$ -	\$ -	\$ -	\$ -	\$ 5,074,451
System Functions (e.g., HMIS)	\$ 1,447,020	\$ 2,173,432	\$ 121,412	\$ 2,052,020	\$ -	\$ -	\$ -	\$ 2,173,432
Transitional Housing	\$ 5,527,831	\$ 6,648,792	\$ 2,881,572	\$ 551,840	\$ -	\$ 3,215,380	\$ -	\$ 6,648,792
Villages	\$ 14,645,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Youth Programs	\$ 1,611,990	\$ 1,861,990	\$ -	\$ 780,000	\$ -	\$ 1,081,990	\$ -	\$ 1,861,990
RHA Admin and Operations	\$ 15,274,517	\$ 14,984,301	\$ 4,893,297	\$ 2,720,888	\$ -	\$ 4,039,805	\$ 3,330,311	\$ 14,984,301
Partnership for Zero (PfZ)	\$ 2,284,249	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Inflation (1)	\$ 5,332,604	\$ 9,498,747	\$ 2,881,281	\$ 6,617,466	\$ -	\$ -	\$ -	\$ 9,498,747
Total (2)	\$ 223,095,029	\$ 230,034,499	\$ 96,923,599	\$ 42,826,850	\$ 62,047	\$ 69,236,290	\$ 20,985,714	\$ 230,034,499

(1) Projected Inflationary Increase 2.5%

(2) HEN fund source removed

2026 Proposed Budget City of Seattle



City of Seattle: \$99,735,623							
Program	CDBG	ESG	General Fund	OH Housing Levy	Short Term Rental Tax	Projected Inflationary Increase 2.5%	2026 Total Projected Budget
Diversion	\$ -	\$ -	\$ 2,395,279	\$ -	\$ -	\$ 59,882	\$ 2,455,161
Enhanced Day Hygiene	\$ -	\$ -	\$ 4,410,926	\$ -	\$ -	\$ 110,273	\$ 4,521,199
Enhanced Shelter	\$ 3,154,270	\$ 480,283	\$ 57,685,390	\$ -	\$ -	\$ 1,532,999	\$ 62,852,942
Permanent Supportive Housing	\$ -	\$ -	\$ 4,007,800	\$ -	\$ 3,700,952	\$ 192,719	\$ 7,901,471
Rapid Rehousing	\$ -	\$ 320,191	\$ 6,517,368	\$ 428,951	\$ -	\$ 181,663	\$ 7,448,173
Safe Parking	\$ -	\$ -	\$ 5,201,313	\$ -	\$ -	\$ 130,033	\$ 5,331,345
Transitional Housing	\$ -	\$ -	\$ 2,953,611	\$ -	\$ -	\$ 73,840	\$ 3,027,452
System Functions (e.g., HMIS)	\$ -	\$ -	\$ 121,412	\$ -	\$ -	\$ 3,035	\$ 124,447
RHA Admin and Operations	\$ 24,600	\$ -	\$ 4,991,030	\$ -	\$ -	\$ 125,391	\$ 5,141,020
CoC Inflation (1)	\$ -	\$ -	\$ 530,223	\$ -	\$ -	\$ 402,191	\$ 932,414
Total	\$ 3,178,870	\$ 800,474	\$ 88,814,352	\$ 428,951	\$ 3,700,952	\$ 2,812,025	\$ 99,735,623

(1) KCRHA suggests amending SMC 3.20.060 to encompass these programs

Recommendations



Proposed 2025 Budget Recommended Action

Approve the KCRHA Proposed 2025 Budget, totalling \$ 230,034,499

- Instruct the KCRHA to transmit the Proposed 2025 Budget to the Governing Committee and recommend Governing Committee approval; and
- Authorize the KCRHA to submit the 2025 Proposed Budget to the City of Seattle and King County



Proposed 2026 City of Seattle Budget Recommended Action

Approve the KCRHA Proposed 2026 City of Seattle Budget, totalling \$ 99,735,623

- Instruct the KCRHA to transmit the Proposed 2026 City of Seattle Budget to the Governing Committee and recommend Governing Committee approval; and
- Authorize the KCRHA to submit the 2026 Proposed Budget to the City of Seattle



DISCUSSION



KCRHA
King County Regional Homelessness Authority

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Resolution 2024-09

A RESOLUTION RECOMMENDING THE 2024 BUDGET TO THE GOVERNING
COMMITTEE OF THE KING COUNTY REGIONAL HOMELESSNESS
AUTHORITY FOR THEIR CONSIDERATION AND SUBMISSION TO KING
COUNTY AND THE CITY OF SEATTLE

WHEREAS, under Article VII, Section 1(a) of the Interlocal Agreement, the Authority shall annually submit a proposed budget request to both the City of Seattle and King County that is consistent with a budget approved by the Governing Committee; and

WHEREAS, under Article VIII, Section 2(i)(vi) of the Interlocal Agreement, an affirmative vote of a two thirds majority of Implementation Board members present, provided quorum requirements are met, is necessary to approve or amend the annual budget recommended by the Implementation Board; and

WHEREAS, the Implementation Board recognizes that the proposed budget submission must go through the regular budget processes, including Executive submission and Council deliberations, of the City of Seattle and King County; and

WHEREAS, KCRHA has presented a proposed budget that is informed by expertise and community engagement, and that articulates the depth of need in the current regional homelessness system, while continuing to work on the Five-Year Plan; and

WHEREAS, KCRHA, the City of Seattle, and King County as part of the City and County budget adoption processes will seek to align budget asks with available revenue in a manner that best serves the priority needs of the region;

NOW THEREFORE BE IT RESOLVED BY THE IMPLEMENTATION BOARD OF THE KING COUNTY REGIONAL HOMELESSNESS AUTHORITY:

Section 1: The Implementation Board hereby recommends this budget to the Governing Committee for their approval to authorize the KCRHA to submit the 2025 budget proposal to the City of Seattle and King County.

Section 2: This resolution shall take effect immediately upon passage, and be transmitted to the Governing Committee for their consideration at their meeting to be held on the 18th day of July, 2024 or sooner.

Resolution 2024-09

[Results]

Yea:

Nay:

Abstain:

KING COUNTY REGIONAL HOMELESSNESS AUTHORITY
IMPLEMENTATION BOARD
KING COUNTY, WASHINGTON

x _____

Benjamin Maritz, Chair

ATTEST:

x _____

Austin Christoffersen, Clerk of the Authority