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Mayor Burgess announces \$34m in homeless services awards

City funding to address racial disparities, transform shelter system, drive results to permanent housing

Seattle, November 27 -- Today, Mayor Tim Burgess stood with community partners to announce \$34 million in funding awards for homeless services. The Human Services Department (HSD) will fund 30 agencies, who submitted proposals in a competitive process, in 98 high-performing programs to help people move into permanent housing. The awarded agencies propose to move more than twice as many people into permanent housing in 2018 than in the previous year, thereby ending their homelessness. Further, the awards focus on addressing the specific needs of African American/Black and Native American/Alaska Native peoples, who experience homelessness at five times and seven times their representation in the overall population, respectively.

In the funded proposals, providers outlined their strategies to move more than 7,000 households experiencing homelessness into permanent housing in 2018. This includes 739 families and 1,094 youth and young adults. By the end of 2017, city-funded providers are projected to move 3,026 households into housing (households can be defined as one person or more living together). According to the 2017 annual point-in-time count, there are 8,746 people experiencing homeless in the City of Seattle, and 3,857 people are currently unsheltered.

Through actions during the budget process by both Mayor Burgess and the Seattle City Council, HSD was able to allocate an additional \$3.9 million to projects vetted through the comprehensive RFP process and consistent with its funding areas. This was added to the \$30 million of available funds previously allocated for awards.

“By moving people from living on the street to permanent homes, we provide them a springboard to better opportunities and a more stable life,” said Mayor Tim Burgess. “Our announcement today represents a fundamental shift in the city government’s approach to homelessness. We are focused on the only result that ends homelessness: housing. We are holding our providers accountable to that same result. I commend HSD for their focus on results and accountability for public dollars.”

“Thanks to both the Executive and Council, we are able to serve close to 3,900 additional people, and help close to 1,000 more households exit homelessness to permanent homes,” said Catherine Lester, Director of the Human Services Department.

HSD is continuing its housing-first policy in this funding cycle and has increased investments in permanent housing programs (rapid rehousing and permanent supportive housing) by \$5.5 million in homeless services. The awards also increase funding to keep people from becoming homeless through programs known as diversion and prevention, from \$1.2 million in 2017 to \$4.4 million in similar 2018 projects.

The awards fall into seven categories: Prevention, Diversion, Outreach and Engagement, Emergency Services, Transitional Housing, Rapid Re-Housing, and Permanent Supportive Housing. Agencies could apply for funding in multiple areas/categories, and overall, HSD received 181 applications from 57 agencies totaling nearly \$106 million.

The \$34 million encompasses all funding that was not tied to alternative funding processes for federal funds, or was not recently competitively bid (Navigation Center, Compass First Hill, authorized encampments) (*See Funding Sheet*). In 2017, HSD invested nearly \$55 million dollars in homeless services.

The following chart outlines each area of the 98 funded projects receiving the \$34 million funding.

						Projected Outcomes	
Project Area	Funded Projects	Requested Funding	2018 Recommended Investment	2017 Investment	# Beds/Units	Total Households Served	Total Households Exited to Permanent Housing*
Diversion	8	\$2,577,905	\$1,993,300	\$31,492		1280	846
Emergency Services	34	\$25,523,261	\$16,113,536	\$13,153,333	1289	22738	2154
Outreach & Engagement*	11	\$5,328,365	\$2,988,157	\$1,512,572		2521	394
Permanent Supportive Housing	15	\$8,389,026	\$4,020,965	\$1,438,803	1227	2511	2261
Prevention	9	\$3,021,717	\$2,492,577	\$1,220,204		738	681
Rapid Re-housing	9	\$4,431,259	\$4,317,758	\$1,348,599		912	771
Transitional Housing	12	\$2,095,398	\$1,859,914	\$1,127,030	235	446	292
Grand Total	98	\$51,366,931	\$33,786,207	\$19,832,033	2751	31146	7399

*Includes an additional 938 households to emergency shelter from Outreach & Engagement

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The RFP follows four years of analysis of the region's homelessness response that included reviews by national experts Barbara Poppe and associates and Focus Strategies; interviews of people experiencing homelessness;

fiscal analysis of HSD's homeless investment; alignment of priorities on results; reform and housing with regional funding partners; consultation with service providers; and learnings from other U.S. cities.

Shift to Performance and Results

It has been over a decade since HSD competitively bid these homeless services. Previously, providers were funded in annual budget cycles but did not have to compete or reapply for funds, or show specific results. Homeless service providers' performance now will be measured quarterly on the number of people moving from their programs into permanent housing, and up to 12% of their total funding award is based on meeting specified targets in that area.

The City is part of a funding collaborative comprised of the City, King County, United Way of King County, and All Home (the County's HUD-designated Continuum of Care) and is the last partner to competitively bid its contracts with homeless service providers to outline pay-for-performance and base contracting on five consistent performance measures: exiting people to permanent housing; average length of stay in a program; returns to homelessness after exiting a program; entries into a program from homelessness and utilization rates.

Using a framework vetted with the funding collaborative partners, 40% of application scores were based on providers' own performance data for the period of January 1 to June 30, 2017. This data was pulled from the regional Homeless Management Information System (HMIS) and was scored in consultation with King County's Performance Measurement and Evaluation team. A rating committee reviewed and rated 12 supplemental applications for applicants who did not have past performance data of the same project type in HMIS. In addition, all project applications asked questions about the agency's experience using data to improve outcomes.

Shifting Shelter Model Can House More People

In order to more than double the number of people moving into permanent housing, some agencies are shifting their shelter models from basic models (typically open overnight only, offering mats-on-floors, and require people to leave the space early in the morning) to enhanced shelters (typically providing reserved space for an individual and their possessions 24 hours/7 days with supportive services, full amenities including hygiene services and some meals). Enhanced models help people stabilize and therefore, they can focus on navigating to housing rather than daily survival skills.

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In 2018, HSD will fund 1,244 enhanced beds (through the RFP and the budget processes). This is an increase from 293 to 854 beds providing 24-hour supports from 2017 to 2018. Total HSD funding for enhanced beds has increased from \$11.9 million in 2017 to \$16.3 million, or a total increase of \$4.4 million.

The Navigation Center and Compass at First Presbyterian shelters, which will continue to provide 24/7 enhanced shelter beds and services, were not included in the RFP process, as they were competitively bid in the last 12 months.

“The enhanced shelters will provide individualized attention for people to address their specific needs in a way that mats-on-floor shelters can’t,” said Lester. Additionally, enhanced shelters include many necessary services onsite like restrooms, laundry, food, and day center services.

Importantly, the shift from basic shelter beds to enhanced shelter beds will not affect shelters this winter. Although contracts from the awards begin January 1, 2018, HSD has developed a transition plan and identified funding primarily through departmental savings to enable operations at all shelters to continue into Spring. Programs currently providing 330 basic beds and hygiene/day services will remain in operation for up to six months, giving agencies time to work together with HSD to assist clients. These programs were not selected, however, to receive continued funding beyond that. HSD is not the only provider or funder of shelter beds in the city and many overnight basic shelter beds affiliated remain unaffected by the awards.

“We will work with agencies on thoughtful plans to ensure their clients are safe and taken care of,” said Lester.

Focus on Services for African Americans/Black and Native Americans/Alaska Natives

Nearly 26% of people who are homeless identified as African American/Black or Native American/Alaska Native in a City survey of 1,000 people experiencing homelessness in fall 2016.

Three grassroots agencies that previously had not received HSD funding are receiving a combined \$3.6 million to provide culturally-relevant services for these populations. They are: Seattle Indian Health Board, United Indians of All Tribes, and the Somali Youth & Family Club. Additionally, nine new programs that specialize in serving these historically underserved populations were granted funding totaling nearly \$3.5 million and are expected to serve 1,838 households with 867 exits to permanent housing.

HSD identified two racial equity goals for 2018 homeless services: 1) prevent homelessness in more African American/Black and Native American/Alaska Native households, and 2) increase the exits from homelessness

to permanent housing for Native American/Alaska Native households. These goals were selected due to the disproportionate rates that African American/Black and Native American/Alaska Natives experience

homelessness in our community. The area of Prevention was allocated a total of nearly \$2.5 million in the 2018 awards, up from \$1.2 million in 2017.

Native American/Alaska Natives are the only cultural and ethnic group whose rates of exiting to permanent housing are lower than Caucasians, with only 20% of Native American/Alaska Native Households successfully exiting the homeless services system to permanent housing. It is for this reason that awards in the areas of diversion, which are flexible dollars that help people from becoming homeless, were increased to \$1.9 million in 2018 through eight projects.

To address racial disparities, rating committee members and interviewers participated in racial equity training, and racial equity was an integral part of committee ratings, discussions, and funding recommendations.

Next Steps

Agencies will begin working with HSD staff to finalize awards and results. Results from the funding awards may be adjusted slightly through the contract execution process as efficiencies may be realized or other factors arise. Agencies have eight days to appeal award decisions to the HSD Director on technical merits from the date of award notification. Decisions are not considered final until the appeal process is complete on December 11, 2017. Contracts are effective beginning January 1, 2018.

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