



City of Seattle
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Planning the Next Housing Levy Rental Assistance Working Paper

Current Levy Program

The Housing Levy's Homelessness Prevention Program helps Seattle residents avert eviction and stabilize in permanent housing by providing rent assistance to address their immediate housing crisis and case management to promote stability over the long-term. The funds are administered by the City of Seattle Human Services Department (HSD) through its homeless prevention and stabilization programs. The program currently provides short-term (one to three months) or medium-term (up to six months) rental assistance for households with incomes up to 50% of Area Median Income (AMI) who are at imminent risk of homelessness or who have recently become homeless. Individuals and families fall into housing crisis and seek assistance for a wide variety of reasons. Some of the most common are job loss or an unforeseen reduction in work hours, medical emergency or disabling condition, limited income coupled with a rent increase, or the cessation of refugee resettlement assistance.

Levy funds may be used to help eligible program participants with rent assistance, rental and utility arrears, and legal or interpretation fees needed to stop an eviction action. If a program participant has had a change in circumstance such as job loss or is facing a significant rent increase, Levy funds can be used for credit and background checks needed to secure alternate stable housing as well as security and utility deposits and moving costs. Program participants who need to move to secure stable housing typically find housing in Seattle, but occasionally find housing elsewhere in King County. In addition to receiving financial assistance, program participants are required to participate in case management which typically includes landlord negotiations, job search assistance, money management coaching, and help with goal setting.

Levy funding began in 2012, with approximately \$850,000 available annually. Levy funded Homelessness Prevention Programs are currently administered by seven nonprofit agency partners: InterIm CDA, Muslim Housing Services, Neighborhood House, Solid Ground, Wellspring Family Services, the YMCA and the YWCA. Levy funds also currently support Rapid Rehousing programs at Neighborhood House and InterIm CDA. The program goals are to assist 605 households annually and to evaluate their housing stability six months after rental assistance ends. Between 2012 and 2014, agency partners served an average of 685 households per year (with an average of 627 households receiving financial assistance annually). Agency partners succeeded in reaching a very diverse group of program participants. In 2014, 82% of program participants were people of color or ethnic minorities, and 31% were immigrants or refugees. Fifty-seven percent of participating households were families. Ninety-six percent successfully averted eviction or achieved stable housing at program exit.

Level of Need

Agency partners report overwhelming demand for these services as rents continue to rise in Seattle. They are often flooded with calls for assistance and have to make difficult choices about who to serve and who to turn away. Community partners also report evidence of overwhelming demand. King County 2-1-1 fielded 6,219 Seattle callers seeking financial assistance with housing costs in 2014. The 2015 King County One Night Count found 10,047 people homeless in Seattle and elsewhere in King County, an increase of 753 people over the 2014 One Night

Count¹. Similarly, Safe Harbors HMIS staff report that 10,941 unduplicated households used shelter services in Seattle in 2014, and 6,885 of those households were newly homeless (not served in a Seattle shelter in the past two calendar years). Community agencies such as the Tenants Union and the Legal Action Center also report significantly increased demand for tenant counseling services and legal services for tenants facing eviction

Rising rents have also made new populations vulnerable to homelessness. This includes a growing number of senior citizens, people with disabilities and other individuals with fixed incomes. For example, the average Social Security monthly retirement benefit is \$1,290² while median rent in Seattle currently stands at \$1,284 per month³.

Homelessness Prevention agency partners have adopted a wide variety of strategies for managing demand. Some providers only work with renters who have already received an eviction notice, while others prioritize families or households with income below 30% AMI. As rents continue to rise, the demand for eviction prevention services is expected to grow in turn. To help providers cope with demand, HSD staff have facilitated ongoing conversations with agency partners about assessing risk of homelessness, and plan to use Levy Administrative funds to provide training on assessing individual and family risk of homelessness in 2016. It is expected that the number one risk factor will be prior episodes of homelessness. Other risk factors may include long-term unemployment, being a single parent with a child under two, and multiple moves in the past six months. This training opportunity will help agency partners better target limited Homelessness Prevention resources.

2016 Housing Levy Recommendations

- *Allocate up to 50% of Levy funds for case management and the associated overhead costs in addition to direct financial assistance.*

Currently Housing Levy funds are only used to provide direct financial assistance on behalf of program participants. However, partner agency staff perform a wide range of case management tasks to implement this program. Some of the case management functions required to implement a successful homelessness prevention program include:

- Screening prospective program participants for risk of homelessness and eligibility;
 - Working with participants to make sure they have the documentation required to participate in the program, including a standard lease, documentation to confirm low-income, and documentation of imminent housing crisis;
 - Helping participants locate affordable housing, secure employment, and budget to prevent future housing crises;
 - Regularly meeting with participants to assess their situation and ongoing level of need;
 - Reviewing leases and negotiating with landlords;
 - Conducting unit inspections to ensure basic health and safety standards are met before approving financial assistance to help a client move into a new unit; and
 - Verifying landlord documents to minimize the risk of fraud.
- *Implement a progressive engagement model which would allow for extending assistance to 12 months for a limited number of extremely vulnerable households.*

Levy-funded rent assistance is currently capped at six months of assistance for rent or rental arrears in a 12-month period. Agency partners are instructed to provide the least amount of assistance needed to address the program participant's housing crisis with the option of escalating assistance if the crisis cannot be immediately resolved. This progressive engagement approach gives case managers the flexibility to tailor services to each household's unique situation. The vast majority of households stabilize in just a few months. However, agency partners report occasionally working with vulnerable households that require longer periods of assistance, including disabled individuals in the process of applying for public benefits, single parents with very young children, and recent

¹ <http://cehkc.org/>

² http://www.ssa.gov/policy/docs/quickfacts/stat_snapshot/index.html

³ <http://www.seattletimes.com/business/seattle-area-apartment-rents-climb-to-average-1284-a-month/>

refugees who, in some cases, have limited work histories and PTSD. In today’s extremely tight rental market, agency partners also report difficulty negotiating with landlords on behalf of participants who are currently not working or who have very low-incomes without the option of providing up to 12 months of assistance if absolutely necessary. To accommodate vulnerable households in need of additional assistance, HSD recommends giving agency partners the option of providing up to 12 months of assistance in a 36-month period as needed to avert housing crisis. Agency partners will continue to provide the least amount of assistance necessary to help participants stabilize using a progressive engagement framework. We estimate that no more than 10% of participant households would require more than six months of assistance.

- *Measure success by the number of people who enter the homeless system three, 12 and 24 months after completing homelessness prevention programs to better align with All Home’s system-wide assessment effort.*

Success is currently measured by the number of households served, the number who exit to housing stability, and the number who are stably housed six months after exit. Under the current system, agency partners call program participants six months after they’ve exited the program to confirm their housing stability. The process is time consuming for staff as it can be difficult to locate exited participants six months after they last received services. However, All Home is now tracking the number of people who have participated in homelessness prevention programs and go on to enter homeless services system three, 12 and 24 months post-program completion through Safe Harbors HMIS. Aligning with All Home’s success measures would save resources and streamline reporting requirements for agency partners.

Scenarios for Funding

Levy funds are currently matched with HSD City of Seattle General Funds and Emergency Solutions Grant funds. Between 2012 and 2014, 45% of program costs were covered by Levy funds and 55% were covered by General Funds and leveraged federal dollars. General Fund dollars are currently used for staffing and all other case management costs, and Levy funds are used for direct financial assistance. HSD expects to continue being able to provide a match for homelessness prevention services of approximately \$850,000 annually. However, our work is becoming regional in focus, while Housing Levy funds are only used to assist Seattle residents. We propose to focus our General Fund and Emergency Solutions Grant leverage on preventing homelessness throughout King County with Levy funds remaining focused on preventing homelessness for City of Seattle residents.

Given the above, funding scenarios were calculated using the following data points and assumptions:

- Levy-funded homelessness prevention and rapid rehousing programs served 2,055 people between 2012 and 2014 at an average cost of \$2,373 per household (figure includes Housing Levy, City General Fund and leveraged federal funds). Assume 90% of households can be served with six months of assistance or less at a cost of \$2,373 per household.
- Assume the cost of serving extremely vulnerable households (estimated to be no more than 10% of households) for up to 12 months will be 150% of average program costs at \$3,560 per household.
- Assume Levy funds serve Seattle households and General Fund and Emergency Solutions Grant dollars focus on households outside of Seattle.

Scenario A. Levy funding for homelessness prevention services remains the same without extending services to 12 months for extremely vulnerable households.

Total Households	Households Supported with Levy Funds	Households Supported with General Fund & ESG
716	358	358
Total Investment	Levy Fund Investment	General Fund & ESG Investment
\$1,700,000	\$850,000	\$850,000

Scenario B. Levy funding for homelessness prevention services remains the same, and services are extended to 12 months for extremely vulnerable households.

Total Households	Households Supported with Levy Funds	Households Supported with General Fund & ESG
682	341	341
Total Investment	Levy Fund Investment	General Fund & ESG Investment
\$1,700,000	\$850,000	\$850,000

Scenario C. Levy funding for homelessness prevention services is doubled, and services are extended to 12 months for extremely vulnerable households.

Total Households	Households Supported with Levy Funds	Households Supported with General Fund & ESG
1,023	682	341
Total Investment	Levy Fund Investment	General Fund & ESG Investment
\$2,550,000	\$1,700,000	\$850,000

Scenario D. Levy funding for homelessness prevention services is tripled, and services are extended to 12 months for extremely vulnerable households.

Total Households	Households Supported with Levy Funds	Households Supported with General Fund & ESG
1,364	1,023	341
Total Investment	Levy Fund Investment	General Fund & ESG Investment
\$3,400,000	\$2,550,000	\$850,000

Discussion Questions

- Is there any additional information HSD can provide to clarify our recommendations above?
- What is the appropriate amount of financial support for homelessness prevention programs?