

Governing Board Meeting Summary

February 20, 2009

Attendance:

Governing Board members present:

Dan Brettler (Car Toys) Co-Chair
Patsy Bonincontri (City of Bellevue)
Tara Connor (Seattle / KC Coalition for the Homeless)
Jon Fine (United Way of King County)
Michael Garcia (Consumer Advisory Council)
Kathy Lambert (King County Council)
Mike Lowry (Community)
Keith McGlashan (City of Shoreline)
Blake Nordstrom (Nordstrom Inc.)
Sue Rahr (King County Sheriff)
Norman Rice (Community)
Sheila Sebron (Consumer Advisory Council)
Ron Sims (King County Executive) Co-Chair

Governing Board members absent:

Shahla Aly (Microsoft)
David Bley (Bill & Melinda Gates Foundation)
Tim Burgess (Seattle City Council)
David Freiboth (King County Labor Council)
Dan Lessler (Harborview)
Greg Nickels (City of Seattle)
Fr. Stephen Sundborg, S.J. (Seattle University)
Rev. Robert V. Taylor (Community)
John Wise (City of Enumclaw)

Community:

Senator Patty Murray (US Senate)
Bill Block (CEH)
Gretchen Bruce (CEH)
Laird Heia (CEH)
Sherry Hamilton (KC DCHS)
Janice Tufte (ITFH)
Cydne Gillis (RealChange)
Leo Rhodes (CAC)
Linda Paterson (KC DCHS)
Alan Painter (Seattle HSD)
Melinda Giovengo (YouthCare)
Mike Heinisch (KYFS)

Mary Nichols (Millionair Club)
Sue Sherbrooke (YWCA)
Stephen Norman (KCHA)
David Okimoto (UWKC)
Marilyn Littlejohn (City of Seattle)
Joseph Adriano (City of Bellevue)
Andrea Akita (Seattle HSD)
Marilyn Mason Plunkett (Hopelink)
Terry Marks (KC DCHS)
Marisa Laufer (UW School of SW)
Vera Brookes (Community)

Bill Kirlin-Hackett (ITFH)
Betsy Graef (Seattle Council-Burgess' staff)
Jason Johnson (City of Kent)
Kathy Williams (HomeStreet Bank)
Rick Friedhoff (Compass Center)
Adrienne Quinn (Seattle Office of Housing)
Maura Brueger (King County)
Mary Gates (Gates Foundation)
David Wertheimer (Gates Foundation)
Donald Chamberlain (Building Changes)
Nori Catabay (KC Housing Initiatives)

Welcome and Introductions

The meeting was called to order at 8:10 a.m. The Governing Board meeting summary of October 22, 2008 was accepted as presented.

Nomination of Patsy Bonincontri to the Governing Board

Councilmember Phil Noble has accepted a position as an administrative law judge, and is no longer able to attend Governing Board meetings. The Mayor of Bellevue recommends Councilmember Patsy Bonincontri to take his place on the Governing Board, and the Governing Board nominating committee concurs with this recommendation. It was moved, seconded and approved to accept Patsy Bonincontri as a member to the Governing Board. Welcome Councilmember Bonincontri!

Federal Supports towards Housing and Homelessness

Bill Block shared highlights and background on the importance of federal supports for housing and homeless services. **Public Housing** is, perhaps, the greatest support (and need) in terms of homeless housing and prevention, evidenced by research showing that 63,000 renters in King County pay over 50% of their income in rent and utilities, and one in five students in public schools live in a public-housing with thousands more households eligible. Locally the Seattle and King County Housing Authorities have been strong partners to the Ten-Year Plan and both have a national reputation for innovation and solid management of their housing stock and Section 8 housing voucher programs. SHA has 4,989 public housing units and KCHA has 2,533 public housing units, and SHA has 8,401 housing vouchers while KCHA has 7,625 vouchers. However, funding for public housing and been drastically reduced over the last decade, and public housing programs have, for many years, faced shortfalls in operations and capital repair funding.

The **Mckinney-Vento** Grants provide significant resources to our region through Shelter Plus Care along with approximately \$15 million per year in transitional housing and services support. McKinney-Vento is focused on homelessness and is one area of federal funding that has increased even as other areas have decreased.

HOME and CDBG. HOME and CDBG bring over \$12 million per year to our county for homelessness related capital and services. The stimulus package includes new HOME and CDBG funding.

Tax Credit Funding. Almost half of the capital funding in non-profit owned projects comes from federal tax credits, representing approximately \$25 to \$30 million per year in homeless housing funding. Because many corporations have far less profit to shelter, the value of tax credits has dropped precipitately, putting a number of projects in jeopardy. The stimulus package may partially address

this, but since virtually all tax credit equity has come from private banks, Fannie Mae, Freddie Mac, additional incentives to attract more investors may be required.

Veterans Administration. The VA provides supportive services for the VASH Section 8 vouchers administered by our local housing authorities, while the VA Grant and Per Diem (GPD) program funds several transitional housing facilities in King County. The GPD program works well for relatively high-functioning people; however, there are many homeless veterans with mental illness, chronic substance abuse and other barriers, and limitations on the use of per diem funds for type and length of service make it difficult to use per diem funds for this more vulnerable population.

At this point, the Governing Board welcomed Senator Patty Murray to the meeting. Senator Murray serves as the chair of the Senate Transportation, Housing and Urban Development Appropriations subcommittee, which oversees the nation's transportation and housing budget. The Board thanked her for her strong leadership on housing issues and Stephen Norman (Executive Director of King County Housing Authority), Rick Freidhoff (Executive Director of Compass Center) and Adrienne Quinn (Director of Seattle Office of Housing) shared examples of local challenges, best practices and suggestions for federal supports that would strengthen our local and national housing response. Comments included:

1. **Allow for regulatory flexibility.** Communities struggle to cobble together funds that bring with them myriad (and often competing) funding restrictions. There are a few pilot projects that have shown that when agencies are provided regulatory flexibility they can make solid gains in helping people obtain and maintain permanent housing. Expanded flexibility within other types of funding opportunities will allow communities to be more effective.
2. **Ensure closer coordination between HUD and mainstream service funding programs administered by HHS and the VA.** Over the past several years, local funders throughout King County have come together to create a Coordinated NOFA. Together, funders evaluate capital and service requests and make joint decisions for over \$20 million to allocate full funding to selected projects. This has proven highly effective in our ability to bring housing online faster and be more effective in getting people into housing. Projects don't have unnecessary carrying costs and are assured of the right level of funding for the right level of support for their clientele. CEH leadership encouraged Senator Murray to share and replicate this model at the national level and require HUD, VA, HHS and other departments to align funding and eliminate unnecessary funding restrictions. An example of the barriers is that HUD has begun to restrict its funding to bricks and mortar. However, people living in HUD-funded housing often require supportive services to be successful. Ten Year Plans across the nation require increased funding and greater alignment between HUD, Health and Human Services, the Veterans Administration, etc. if we are to end homelessness.
3. **Increase housing production funds.** The average cost per unit in King County is over \$200,000 and communities have a backlog of housing projects that require, particularly in this financing climate, additional government equity to move forward. Funding of the National Housing Trust Fund established by Congress last year will help move this production.
4. **Increase funding for Section 8 housing vouchers.** As noted in the opening remarks, the availability of public housing and Section 8 housing vouchers is, perhaps, the best defense against homelessness. However, wait lists among eligible households have never been longer and more than 60,000 King County households meet the eligibility criteria for public housing. When KCHA opened its Section 8 list for 10 days in 2008, it received almost 10,000 applications. Communities need an infusion of funding for public housing and Section 8 housing vouchers.
5. **Modify VA Grant Per Diem legislation to provide flexible housing models.** Per Diem funds only 120 days of housing. However, best practices have shown that permanent housing is what is needed to reduce and end homelessness among disabled veterans. A legislative fix that allows non profit developers to combine tax credits in long term housing with supportive services using VA Grant Per Diem funds will generate more sustainable housing for homeless veterans.
6. **Increase capital grants for veterans housing.** Current allocations sit at \$12 to \$25 million. An increase to \$50 to 100 million dollars in annual capital appropriations would be expensive, but it would make a significant reduction in the number of homeless veterans.

Senator Murray thanked the CEH for its work and insight into these matters, and shared that as the Chair of the Senate Transportation, Housing and Urban Development Appropriations subcommittee she will take the comments on the need for greater flexibility and increased alignment across departments back to DC with her. She shared that the new heads of HUD, HHS and VA have deep knowledge of the issues and share her commitment for increased effectiveness, noting that she is especially looking forward to working with County Executive Ron Sims as the new undersecretary of HUD, given that his confirmation hearings will begin shortly. Additional comments from Board members included:

- Funding for vocational rehabilitation for veterans is critical, and will honor these individual's service as well as restore them to productive lives in our community;
- As possible, federal stimulus funds should be as flexible as possible, recognizing the balance between accountability when there is a surge of new funding with the need for appropriate levels of flexibility so that funds can do the most good at local levels;
- Continue to track Medicaid policy and the effects on the criminal justice system. People in jail can't get treatment and so they fall through the cracks; their symptoms worsen; and they become repeat offenders.

The Funders Group

Adrienne Quinn provided an update the Governing Board on recent activities within The Funders Group. This group consists of department heads from the City of Seattle, the Seattle Housing Authority, the King County Housing Authority, United Way of King County and representatives from South King County, North/East King County and the Bill and Melinda Gates Foundation, and is chaired by Jackie MacLean (King County.) Together the members of the Funders Group allocate or influence most of the funding that addresses housing and homelessness in our county. The group has been meeting regularly since October, 2008 and in that time has:

1. Established a set of five priorities to guide its collective efforts in 2009, including:
 - Increase Production (Capital) Units Added to Homeless System. Construction of new (or rehab) housing units dedicated to people exiting homelessness. Focus next 3 years on persons with multiple barriers.
 - Increase Existing (Rental Market) Units Added to Homeless System. Secure rental housing through rental subsidies, master leasing and other incentives to landlords to reduce barriers to market rate housing among people who are homeless.
 - Create Coordinated Assessment and Entry for High Utilizer/Vulnerable Single Adults.
 - Create Coordinated Assessment and Entry for Families.
 - Complete development and utilization of HMIS (Safe Harbors).
2. Developed workplans for each of these priorities (included in the Governing Board packet) that include production goals, system change goals, timelines, resources needed, additional research needed and potential barriers to successful completion.
3. Developed a set of outcome measurements and draft dashboard to measure progress on these workplans; and
4. Developed a draft Financial Plan and researched aggregate dollars currently allocated to homeless housing and services. In the coming months, the group will identify resources that are, or can be made, available for allocation (or reallocation) to achieve the specific goals of the Funders Group 2009 priorities. Adrienne noted that there is approximately \$280 million in resources going towards affordable/homeless housing, with public housing authorities accounting for the vast majority of these resources. Given the amount and number of fund sources, there are many complexities when it comes to combining/reallocating fund sources towards best use. This will be a central body of work of The Funders Group in the coming year. The group is also tracking changes in revenues, both the declines in funds from sources such as 2163 and the anticipated increases from the stimulus package.

The Governing Board discussed that the dashboard indicates we will not reach our target of 9,500 units of housing in 10 years. One thought is to acknowledge that thousands of units of affordable housing have been created since the inception of the Ten-Year Plan, but those units have not been included in our production numbers. In fact, the majority of family households need just affordable housing as their main defense against homelessness, and it may be time to explore whether these units should be considered / allocated towards households exiting homelessness. We are also doing what we can to capitalize on emerging opportunities to take advantage of market conditions and acquire properties at reduced prices now that the real estate market has slowed down.

CEH partners continue to pursue strategies to help people to graduate from intensive/service rich housing to other appropriate housing in order to free up those units for people who need the services more. The new HMIS system and coordinated entry processes will allow community partners to better target the right type of clientele for particular projects, and will increase efficiencies across the system. Dan Brettler thanked The Funders Group for their work and noted that the Governing Board discussion of this item would appear to endorse the five priorities, their respective workplans, the dashboard and the financial plan by consensus.

State and Federal Advocacy and Funding

Bill Block shared recent information on state and federal advocacy issues critical to the implementation of the Ten-Year Plan. One fund source that will likely come available through the federal stimulus package is Emergency Shelter Grant funds (ESG) that, though allocated through ESG, cannot be used for emergency shelter. Rather, it will be for rental assistance and other longer-term housing supports. Bill suggested that the Board encourage local communities to adopt the funding principles under the Ten-Year Plan for the use of these funds. That is, that these new funds be used in such a way that avoid 'cliffs', that it promote best practices and that assure coordination and alignment with existing programs. It was moved, seconded and approved by the Governing Board that local funders be encouraged, as possible, to use these ideals when making funding allocations with new stimulus funds.

Bill noted that the state deficit continues to grow, and the state now faces an \$8 billion deficit by June due to continued decline in sales tax revenues. This greatly affects safety net programs such as homeless and services programs, as most of these programs are funded through discretionary funding sources. The Governing Board discussed the challenges of pledges of no new taxes, our state's financing mechanisms that rely almost exclusively on sales and property taxes instead of an income tax, and the long-term consequences of the 1% cap on budget increases. They concurred that there is a need for long-term solutions on these issues and the Governing Board will need to be prepared to take an appropriate leadership role if/when some of these issues come up for action.

April Governing Board Meeting

Governing Board members discussed agenda topics for the April 22nd meeting. On the agenda: Progress within The Funders Group, Updates on Federal and State funding, Updates on employment opportunities, services and case management.

Blake Nordstrom complimented CEH staff and partners in preparing the packet of materials. He asked that future packets include background information with nuances, challenges, choices before us in an informative but streamlined manner that helps Governing Board members make sense of the choices and challenges. Building on that, Councilmember Lambert suggested that the CEH write a thank you letter to Senator Murray thanking her for her attendance at today's Governing Board meeting and reiterating the top 'asks' that we have for federal supports for homeless housing and services.

Public Comment

Patsy Bonincontri noted that she is looking forward to being a member of the Governing Board and working on a body such as this that brings together government, business, non profits and other constituencies.

Sheila Sebron encouraged the CEH to continue to pursue solutions that have benefit to the next generation and that build upon people's potential instead of focusing on their limitations.

Janice Tufte reported that homeless advocates have formed an alliance group to network and share ideas under the Ten-Year Plan. She also encouraged more housing for medically fragile individuals.

Bill Kirlin Hackett stated he is pleased to see the new dashboard, but noted that an accurate inventory of housing needs to include losses due to conversion and other affordability matters.

Melinda Giovengo noted that the new priorities of the Funders Group and other recent CEH initiatives do not include youth and young adults. She noted that if young people can't access services when they are young, they stand great risk of becoming long term chronically homeless adults. She also noted that youth and young adults have special needs different from adults and families and they typically cannot be adequately served by more mainstream services.

The meeting was adjourned at 10:00 a.m. Respectfully submitted, Gretchen Bruce, CEH Staff