



KING COUNTY
Signature Report

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

November 20, 2017

Motion 15005

Proposed No. 2017-0392.1

Sponsors Kohl-Welles

1 A MOTION approving the Shelter Expenditure Plan as
2 required by the 2017-2018 Biennial Budget Ordinance,
3 Ordinance 18409, Section 105, as amended by Ordinance
4 18544, Section 64, Proviso P2.

5 WHEREAS, the 2017-2018 Biennial Budget Ordinance, Ordinance 18409,
6 Section 105, as amended by Ordinance 18544, Section 64, appropriated to the community
7 and human services administration fund and included Proviso P2, requiring executive
8 transmittal of a shelter expenditure plan, approval of which is to be acknowledged by
9 council motion;

10 NOW, THEREFORE, BE IT MOVED by the Council of King County:

11 The council approves the report, Attachment A to this motion, as described in this
12 motion.
13

Motion 15005 was introduced on 9/25/2017 and passed by the Metropolitan King County Council on 11/20/2017, by the following vote:

Yes: 9 - Mr. von Reichbauer, Mr. Gossett, Ms. Lambert, Mr. Dunn,
Mr. McDermott, Mr. Dembowski, Mr. Upthegrove, Ms. Kohl-Welles
and Ms. Balducci
No: 0
Excused: 0



KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

A handwritten signature in blue ink, appearing to read "Joseph McDermott", written over a horizontal line.

J. Joseph McDermott, Chair

ATTEST:

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Melani Pedroza, Clerk of the Council

Attachments: A. Shelter Expenditure Plan



King County

Shelter Expenditure Plan

Response to King County Ordinance 18409, Section 105, Proviso P2

Department of Community and Human Services

September 2017

SECTION 1: Proviso Requiring the Shelter Expenditure Plan

This report fulfills a King County Council proviso request included in Ordinance 18409, Section 105. Specifically, this Shelter Expenditure Plan responds to Proviso P2, which states:

No moneys restricted by Expenditure Restriction ER1 of this appropriation shall be expended or encumbered until the executive transmits a shelter expenditure plan and a motion that should approve the shelter expenditure plan and reference the subject matter, the proviso's ordinance, ordinance section and proviso number in both the title and body of the motion and a motion approving the shelter expenditure plan is passed by council.

The shelter expenditure plan shall include, but not be limited to a report on:

- A. The proposed use of the funds;*
- B. An update on the location or locations selected for shelter services;*
- C. An update on the project budget, based, if available, on bids from a request for proposals process conducted by the executive;*
- D. A timeline to begin operation of the proposed shelter services; and*
- E. A description of the efforts that would be made to seek and consider public input from surrounding communities.*

The executive should file the shelter expenditure plan and a motion required by this proviso by September 14, 2017, in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff, the director of regional housing and homelessness planning and the lead staff for the health, housing and human services committee, or its successor.

SECTION 2: Background on Homeless Shelters in King County Facilities

In January 2017, the King County One Night Count identified over 5,400 individuals living outdoors or in vehicles. An additional 6,100 were located in shelters, transitional housing or other situations that qualify them as homeless. The scale of the homeless problem has led King County to consider how to use its own properties as a part of the solution.

King County currently operates shelter in the King County Administration Building as well as the 420 - 4th Avenue Building. Although these facilities provide acceptable emergency shelter, they are designed as office space, so they are both expensive to operate and do not provide the hours or flexibility to allow people to store possessions, enter or leave when they need to, or have time for housing navigators to work with them to exit homelessness.

Both nationally and locally people experiencing homelessness state that overnight shelters do not meet their needs¹. Some of the reasons cited include the following:

¹ Notes from All Home Consumer Advisory Council and U.S. Interagency Council on Homelessness report on the role of emergency shelter.

- Need for well-trained, committed staff
- Need staff dedicated to moving people into housing
- Check-in times don't fit employment, appointments or life events
- Family composition does not allow access to shelter
- Unable to access shelter with pets.

In Fall 2016 King County began moving from funding only emergency shelter to funding a system that also includes 24/7 shelters. These shelters operate 24 hours a day, seven days a week, can serve a co-ed population and include meals, hygiene facilities (showers and washer/dryers), secure storage and active housing navigation services.

Together with the Facilities Management Division (FMD), the Department of Community and Human Services (DCHS) opened a 24/7 shelter at the former White Center Public Health Clinic this year and is establishing a 24/7 shelter at the former Kenmore Sheriff Precinct. Finally, as part of the 2017-2018 budget, the King County Council requested that the Executive evaluate additional county-owned properties for use as 24/7 shelter and/or other ancillary homeless uses.

Together with FMD, DCHS also evaluated the cost and timing associated with opening and/or modifying additional shelter beds at the county-owned properties at 420 - 4th Avenue (currently operating as an emergency shelter) and Harborview Hall. The following table summarizes those findings.

King County Facility Shelter Use Summary of Findings					
Building	Shelter Type	Population	Est. Capital Cost	Est. Annual Operating Cost	Timeline
420 4 th Avenue	24/7	100 Single Adult	\$4,723,943	\$1,076,527	15-18 Months
Harborview Hall	Emergency	100 Single Adult	\$2,196,790	\$544,083	9-10 Months
Harborview Hall	24/7	100 Single Adult	\$15,021,111	\$1,076,527	17-25 Months
Harborview Hall	Day Service	100 Single Adult	\$14,576,635	\$828,281	17-25 Months

Based on permitting constraints limiting the size of an emergency shelter absent full building rehabilitation, FMD is in the process of making application to the City of Seattle for a 50-bed emergency shelter at Harborview Hall.

SECTION 3: Request for Information

In July 2017, DCHS issued a Request for Information (RFI) to gather information on the design, operation, cost and timeline for alternative shelter models, including those created using a modular construction process. Specifically, the RFI asked for information regarding the capital, site development and operating costs for one or multiple years to serve approximately 50 to 100 people at a time and move them out of homelessness. The RFI considered both the total development costs of a facility on publicly-owned land or other site options such as a temporary use on a site being held for future development, co-use with an existing project with developable land, or the purchase of a site. The facility would operate 24 hours a day, 365 days a year and would meet the immediate shelter and enhanced service needs of 50 to 100 adults, including their pets and belongings, and would include hygiene (laundry, shower and restrooms), storage facilities and communal dining space for the residents.

RFI Response Summary

RFI responses were due to DCHS on August 14, 2017 and the department received five responses. These are summarized in the following table.

RFI Response Summary		
Agency	Description	Cost & Timing
Capital + Operating Proposals		
DESC	<p>24/7 Shelter: Up to 50 adults (singles / couples)</p> <ul style="list-style-type: none"> Options range from individual units for singles and couples with in unit bath and kitchens to congregate units for up to 12 using common bath and meal space. All options include meeting space, staff offices and storage. All units will be wood frame and mobile, constructed by a long time manufactured housing provider. Focused on moving the hardest to house into permanent housing, the operating model includes approximately up to 30 FTE (facility manager, case managers, behavioral health managers, janitorial, etc.) plus meals, transportation, and general operating and administrative costs. 	<p>Capital: \$2.5 million - \$4.5 million</p> <p>Operating: Approx. \$2 million / year</p> <p>—</p> <p>Time to Opening: 24 months</p>
Catholic Community Services	<p>24/7 Shelter: Up to 100 adults (singles / couples)</p> <ul style="list-style-type: none"> Congregate shelter units for up to 10 people per unit. Separate community space / meal area, case management and staff offices, laundry and shower facilities. All units will be single story, wood frame and mobile. Focused on moving households from unsanctioned encampments into shelter and then permanent housing using a harm reduction model. 	<p>Capital: Approx. \$2.6 million</p> <p>Operating: Approx. \$2 million</p> <p>—</p> <p>Time to Opening: 10 months</p>
Compass	Bridge Housing: Up to 60 adults (singles / couples)	Capital: \$3 - \$5.5

Housing Alliance	<ul style="list-style-type: none"> • Standalone units for singles and couples, including bath and small food preparation space. • Community room and staff office(s). • All units will be steel construction, stackable and/or mobile. • Focused on housing individuals and couples from shelter or directly from street or encampments. Staffing will be available 24/7, including mental health and other case management. 	million Operating: Approx. \$750,000 — Time to Opening: 10 - 24 months, dependent on timing of unit order.
Capital Proposals Only		
Pac West	<p><i>Multi Purpose Capital Facility: Up to 100 adults (singles / couples)</i></p> <ul style="list-style-type: none"> • Two component system of tensioned membrane structure + cross laminated timber modular dormitory units. • Standalone units for singles and couples, including private bathrooms. • Flexible common space for meals, hygiene, offices, etc. 	Capital: Approx. \$5 million Operating: N/A — Time to Opening: 12 months
One Build	<p><i>Multi Purpose Capital Units: Flexible units for housing and service/common space.</i></p> <ul style="list-style-type: none"> • Stackable steel constructed modular units, capable of being relocated multiple times. • Approved by State Labor and Industries. • Flexible layout can accommodate hygiene needs, offices and office space. 	Capital: Approx. \$5 million Operating: N/A — Time to Opening: 12 months

Additional Information on Harborview Hall

In addition to new information gathered from the RFI process, additional information on the use of Harborview Hall for shelter is now available. Further investigation of the City of Seattle permitting process reveals that while a 50-bed 24/7 shelter at Harborview Hall would require major upgrades to the building systems (hence, the \$15 million cost estimate), a 20-bed 24/7 shelter could operate in the building with dramatically fewer upgrades.

Cost Comparison

The following table provides a per unit / per bed comparison of the proposed concepts, including the use of Harborview Hall as a 24/7 shelter.

Cost Comparison of Shelter Concepts			
Concept	24 / 7 Modular Shelter (50 to 100 Beds)	Bridge Housing (35 Units)	Harborview Hall 24/7 Shelter (20 Beds)
Total Capital Cost	\$2,600,000 to \$4,000,000	\$3,500,000	\$3,000,000
Capital Cost / Unit	\$26,000/Bed to \$80,000/Bed	\$100,000/Unit	\$150,000/Bed
Operating Cost / Year	\$2,000,000	\$750,000	\$500,000 - \$800,000
Operating Cost / Year / Unit	≈ \$20,000 - \$40,000	Up to \$22,000	≈ \$20,000 - \$40,000

SECTION 4: Expenditure Plan

Best practices and community focus groups among people experiencing homelessness show that 24/7 shelters are more desirable and effective in helping people exit homelessness. Twenty four/seven shelters also decrease the impact on surrounding communities because people have a place to go during the day and there is no need for shelter lines. Information received through the RFI corroborates both the need and viability of the concept.

Expenditure Plan

Ordinance 18409 requests that the Executive make a recommendation. Based on the information provided in the RFI the King County Executive recommends the following expenditure plan.

Executive Recommendation						
Housing Type	# of Units	Population	Construction Type	Location	Time to Completion	2017/2018 Costs
24/7 Shelter	100 Beds	Adults	Modular / Alternative	South Seattle	12 – 24 months	\$2.75 million
Bridge Housing	35 Units	Adults	Modular / Alternative	South Seattle	≈ 24 months	\$1.75 million
TOTAL						\$4.5 million

As described below, DCHS would use a competitive RFP process to select proposals (operator and construction partner) to build and operate these two projects.

In addition, the King County Council has directed the Executive to use Harborview Hall for shelter uses. As identified above, one option is to use Harborview Hall as an emergency shelter. Considering the additional information received on 24/7 shelter use at Harborview Hall and the objective of providing more 24/7 shelter beds, an alternative would be to use the building for a 20-bed 24/7 shelter. The following table compares the two uses.

Harborview Hall Options							
Shelter / Housing Type	# of Beds / Units	Population	Construction Type	Location	Time to Completion	Capital Costs	Operating Costs
Emergency Shelter	100 Beds	Adults	Traditional	First Hill	10 Months	≈ \$2.2 Million	\$544,000 per year
24/7 Shelter	20 Beds	Adults	Traditional	First Hill	18 Months	≈ \$3 Million	≈\$ 500,000 per year

While providing fewer beds on a nightly basis, considering the longer operating hours and the services available on-site it is likely that many more individuals will be housed through the 24/7 shelter. This would also create more throughput and result in the shelter serving more people over the course of a year. However, in absence of final Council agreement and as described above, FMD and City of Seattle permitting staff held a pre-application site meeting at Harborview Hall and FMD is now working on the technical components of the permit application for a 50-bed emergency shelter.

Timing and Budget

Based on the RFI responses and the completion of a RFP process by the end of 2017, the soonest any of these facilities would begin operations is fourth quarter 2018. The following table identifies the estimated capital and operating expenses through 2020.

24/7 Shelter & Bridge Housing					
		2018	2019	2020	TOTAL
24/7 Shelter (Up to 100 Beds)	Capital	\$2,750,000	\$0	\$0	\$2,750,000
	Operating	\$0	\$2,000,000	\$2,000,000	\$4,000,000
Bridge Housing (Up to 35 Beds)	Capital	\$1,750,000	\$1,750,000	\$0	\$3,500,000
	Operating	\$0	\$0	\$750,000	\$750,000
TOTAL		\$4,500,000	\$3,750,000	\$2,750,000	\$11,000,000

Note: This represents the lowest cost and most aggressive timeline for potential projects based on RFI responses. Actual projects selected through the RFP process may result in higher costs or longer delivery times.

Harborview Hall Options					
		2018	2019	2020	TOTAL
Emergency Shelter (100 Beds)	Capital	\$2,200,000			\$2,200,000
	Operating		\$544,000	\$544,000	\$1,088,000
24/7 Shelter (20 beds)	Capital	\$1,500,000	\$1,500,000	\$0	\$3,000,000
	Operating	\$0	\$250,000	\$500,000	\$750,000

Note: This represents the lowest cost and most aggressive timeline for potential projects based on RFI responses. Actual projects selected through the RFP process may result in higher costs or longer delivery times.

Siting

In coordination with the Washington State Legislature, DCHS has identified a property in Seattle that could potentially serve as the host site for both the modular 24/7 shelter and the bridge housing. Preliminary conversations indicate that the site is a feasible location for both facilities but additional investigation is needed. Considering the lead time for shelter delivery (no less than 12 months), DCHS and FMD believe there is sufficient time to verify the viability of this site or find an alternate location.

Community Outreach

Regardless of which site is ultimately identified, all three comprehensive RFI responses outlined detailed community outreach processes. All three agencies (DESC, Compass and Catholic Community Services) are skilled facility operators and have a wealth of experience working with local communities on homeless and affordable housing issues. DCHS, FMD and other Executive departments would also be involved with the siting and community outreach work. Collectively, the agencies and departments will create a community outreach plan well in advance of facility opening. This plan will include community notification, stakeholder meetings and ongoing community conversations during operations.

SECTION 5: Next Steps

With the acceptance of the shelter expenditure plan and release of funds, DCHS and FMD will begin program implementation. For the 100-bed 24/7 shelter and 35 units of bridge housing, DCHS will issue an RFP by October 1. Based on the level of agency engagement and interest, DCHS should be able to complete the RFP process and award funding by the end of 2017. Contracting and construction would begin shortly thereafter.

At the direction of County Council for the use of Harborview Hall, DCHS and FMD have begun predevelopment work for using the building as a shelter. However, a decision on the final program (emergency shelter vs. 24/7 shelter) will need to be made soon. Regardless, DCHS will need to complete a competitive process to select an operator. This should be completed early in the buildout process to ensure that the physical layout conforms to the needs of the population and operator.