## *REVISED* STAFF REPORT

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| **Agenda Item:** |  | **Name:** | Scarlett Aldebot-GreenMary BourguignonMiranda LeskinenClifton Curry |
| **Proposed No**.: | 2018-0173.5 | **Date:** | July 16, 2018 |

**COMMITTEE ACTION**

***Proposed Substitute Ordinance 2018-0173.4, adopting the Veterans, Seniors and Human Services Levy Implementation Plan, passed out of the Regional Policy Committee on July 11, 2018. The proposed ordinance was amended in committee with three amendments and a technical amendment. The first amendment, sponsored by Committee Member Peloza, specified that individuals seeking help with veterans benefit claims or entitlenments would be eligible for services under the levy. The second amendment, offered by Committee Members Stokes and Birney, added an overarching statement that the VSHSL investments are meant to support services throughout the county and also added reporting requirements that would allow for an analysis of where services were being delivered. The third amendment, offered by Committee Member Gossett on behalf of CMs Dembowski and Kohl-Welles, requires a biannual report from the Executive on the status of veterans, in particular senior veterans, who have received housing. The amendment also requires that the Executive transmit a plan to the Council in the event that progress is not being made towards housing veterans. Finally, the Committee adopted a technical amendment that modified the date of the attachment to conform to the Committee’s actions. Each of these amendments were adopted unanimously. The Substitute Ordinance, as amended, was passed with a Do Pass recommendation and expedited to the next Council meeting.***

**SUBJECT**

Proposed Ordinance 2018-0173 would adopt the Veterans, Seniors and Human Services Levy (VSHSL) Implementation Plan, required under the VSHSL Ordinance 18555.

**SUMMARY**

Proposed Ordinance 2018-0173, adopting the Veterans, Seniors and Human Services Levy Implementation Plan (Implementation Plan), Attachment A to the proposed ordinance, was transmitted by March 16, 2018, as required by the VSHSL Ordinance 18555. The transmitted Implementation Plan includes provisions responding to the requirements under Ordinance 18555, Section 7.B. including: 1) description of contemplated levy proceed expenditures to achieve the five levy outcomes; 2) definitions for planning and administration; 3) definition of housing stability, including appropriate percentage that housing costs should represent of a person's income; 4) inclusion and utilization of criteria that address geographic differences and trends in housing stability; 5) identification of services, programs, operations and capital facilities that build the capacity and support the operation of health and human service providers including strategies to promote retention, recruitment and pay of high quality service providers; 6) accountability measures including the goal of housing 75 percent of seniors who were also veterans or military servicemembers in King County as of the date of enactment of the levy ordinance; 7) methodology for tracking the housing of seniors, who are also veterans or military servicemembers, and plans for tracking; 8) a program for regular performance monitoring and reporting that focuses on results and not simply on numbers served. The transmitted Implementation Plan also comports with all proceed allocation requirements under the levy ordinance.

The VSHSL Implementation Plan would supersede the VSHSL Transition Plan, adopted by Ordinance 18638 in December 2017. The transmitted Implementation Plan proposes to incorporate all strategies, activities, allocations and other material elements of the VSHSL Transition Plan, except for the Housing Stability Assistance Program,[[1]](#footnote-1) subject to appropriation, with the goal of ensuring that adoption of the Implementation Plan allows VSHSL strategies and programs approved under the Transition Plan to retain continuity and predictability.

This item wasreferred first to the Regional Policy Committee as a mandatory referral, and then to the Health, Housing and Human Services Committee. The legislative action to date is summarized at the end of this staff report.

On May 9, 2018, the Regional Policy Committee (RPC) adopted a striking amendment, as amended, and recommended Proposed Substitute Ordinance 2018-0173.2 for adoption.

On June 26, 2018, the Health, Housing and Human Services Committee further amended the legislation and recommended Proposed Substitute Ordinance 2018-0173.3.

On July 2, 2018, the Council further amended the legislation and has referred Proposed Substitute Ordinance 2018-0173.4 to the Regional Policy Committee for its review and recommendation.

**BACKGROUND**

**2006 – 2011 Veterans and Human Services Levy (VHSL1) and the First Service Improvement Plan (SIP1).** In November 2005, King County voters approved the first Veterans and Human Services levy (Ordinance 15279) which generated an average of $14.6 million per year to fund health and human services. The property tax levy was based on $0.05 per $1,000 of assessed value, with the first year of collection in 2006. The final year of collection under the levy was 2011. Ordinance 15632 adopted the first Service Improvement Plan (SIP1) guiding the management and expenditure of the proceeds from the VHSL1.[[2]](#footnote-2)

**2012-2017 Renewed Veterans and Human Services Levy (VHSL2) and the Second Service Improvement Plan (SIP2).** In August 2011, King County voters approved a renewed Veterans and Human Services Levy (Ordinance 17072), which provides annual revenues of approximately $15.9 million (2012 collections) to $18.6 million (2017 collections). The property tax levy was based on $0.05 per $1,000 of assessed value (AV) plus annual increases by the percentage increase in the consumer price index or one percent, whichever was greater, with a maximum increase of three percent, for six years starting in 2012. The VHSL2 generated approximately $103 million over the six year collection period. In 2011, Ordinance 17236 adopted the second Service Improvement Plan (SIP2) for 2012 through 2017, guiding the goals, investments and implementation of the VHSL2.

**The Veterans Seniors and Human Services Levy (VSHSL).** Ordinance 18555 placed before the voters a proposition to provide regional health and human services to residents of King County by replacing the VHSL2, which expired at the end of 2017, with a new six-year levy, the Veterans, Seniors and Human Services Levy (VSHSL). King County voters approved the measure in November 2017.

The VSHSL is a property tax that is levied at a rate of $0.10 per $1,000 of assessed valuation, with an increase of up to three and a half percent for each of the last five years of the levy—2019 through 2023. The table below describes the estimated levy revenue for each year of the levy, using the Office of Economic and Financial Analysis' (OEFA) March 2018 forecast for VSHSL proceed and presuming a 3.5 percent inflator in each year after the first. With these assumptions, the total projected revenue over the levy period is an estimated $362.5 million.[[3]](#footnote-3)

**Table 1**

**VSHSL Collections Estimates**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| $53,265,713 | $56,113,787 | $58,946,405 | $61,771,043 | $64,693,989 | $67,740,215 |

Veterans, Seniors and Human Services Levy Allocations.

The VSHSL Ordinance 18555 describes authorized expenditures of levy proceeds. After set-asides for technical assistance and capacity building and pro-rationing of fire and park districts, the proceeds are to be divided into three equal allocations to support services for: (1) veterans, military servicemembers and their respective families (Veterans Allocation); (2) seniors and their caregivers (Seniors Allocation) and (3) vulnerable populations (Vulnerable Populations Allocation).[[4]](#footnote-4) In the first year, at least 50 percent of all proceeds are dedicated to promote housing stability, including capital facilities. In subsequent years, that requirement falls to at least 25 percent.

Additionally, Ordinance 18555 requires that 50 percent of the Seniors Allocation, located in Ordinance 18555, Section 4.B.2., within the VSHSL be used to support seniors who are also veterans, and their caregivers and families, until either 75 percent of the number of homeless senior veterans in King County at the time Ordinance 18555 was enacted are housed or $24 million is expended to house senior homeless veterans, other than those proceeds set aside in Ordinance 18555, Section 4.B.1. (Veterans Allocation), whichever comes first.[[5]](#footnote-5) Ordinance 18555 imposes a limit within each of the three population-based allocations of a maximum of five percent to fund planning and administration of the regional health and human services and capital facilities in each of these allocations.

VSHSL Transition Plan.

Ordinance 18555 required that, by September 29, 2017, the Executive develop and transmit for Council adoption by ordinance a transition plan to govern expenditures of the Veterans and Human Services Levy during a transition period. Under Ordinance 18555, the adopted Transition Plan shall govern expenditure of levy proceeds until the adoption of the VSHSL Implementation Plan, at which point the Transition Plan will have no force or effect.[[6]](#footnote-6)

The VSHSL Transition Plan was adopted by Council on December 1, 2017, through Ordinance 18638. It directs expenditures of 2018 levy proceeds on both new programming and most 2017 programs at 2017 service levels for the 2018 transition period. Ordinance 18616, enacted on December 1, 2017, appropriated $18.3 million to Veterans, Seniors and Human Services Levy fund to continue 2017 services at 2017 service levels during the 2018 transition period. Ordinance 18706, adopted on April 9, 2018, appropriated $33.2 million to implement the remainder of the VSHSL Transition Plan.

**ANALYSIS**

Proposed Ordinance 2018-0173 would adopt the VSHSL Implementation Plan, Attachment A to the proposed ordinance, to govern expenditure of VSHSL proceeds for the levy period after its adoption. The Implementation Plan provides background on the 2006-2011 and the 2012-2017 Veterans and Human Services Levies, the VSHSL planning process, and legislative steps leading to renewal. The Implementation Plan also includes information on community engagement in planning for the renewed and expanded levy including key considerations in community partnership design, an equity impact review of VSHSL community partnerships, information on community partnerships and the VSHSL renewal planning process, and combined findings from community engagement. The Implementation Plan also includes a section on the VSHSL priority populations.

The following sections provide an overview of Ordinance 18555’s Implementation Plan requirements, located in Section 7.B. of the levy ordinance, and the transmitted VSHSL Implementation Plan.

**Description of contemplated levy proceed expenditures to achieve the five levy outcomes.** Ordinance 18555 requires that the VSHSL Implementation plan describe the expenditure of levy proceeds to achieve outcomes outlined in Ordinance 18555, consistent with Ordinance 18555, Section 4, which describes VSHSL eligible expenditures.[[7]](#footnote-7) The transmitted Implementation Plan outlines strategies and programs[[8]](#footnote-8) contemplated to be carried out by expending levy proceeds on eligible expenditures. These strategies and programs are organized around the five levy outcomes (or result areas) adopted in Ordinance 18555: 1. Housing Stability (HS); 2. Financial Stability (FS); 3. Social Engagement (SE); 4. Healthy Living (HL); 5. Service System Access and Improvement (SS).[[9]](#footnote-9)

For each singular strategy or program, in the case of strategies with programs, the Implementation Plan includes a community-level change contribution description, a concept description, a rationale, a timeline, and a proceeds allocation table. The following sub-sections in the staff report provide additional information on the VSHSL Implementation Plan's strategies and programs and on their alignment with proceed expenditure eligibility as outlined in Ordinance 18555.

Population-Based Allocations

The Implementation Plan must adhere to levy allocation requirements. The table below summarizes these requirements and the information related to these included in the Implementation Plan. A more expansive version of this information is included in the Implementation Plan in the annual proceed allocation tables. The transmitted Implementation Plan appears to meet the levy ordinance allocation prescriptions when accounting for 2018 levy proceed allocations in the VSHSL Transition Plan, levy reserves, and set-asides for suppression mitigation and technical assistance and capacity building.

**Table 2**

**VSHSL Implementation Plan Allocation Summary for Levy Populations**

|  |  |  |  |
| --- | --- | --- | --- |
|  | Veterans AllocationOrdinance 18555Sec. 4.B.1 | Seniors AllocationOrdinance 18555Sec. 4.B.2 | Vulnerable Populations AllocationOrdinance 18555 Sec. 4.B.3 |
| 2019 | $17.1M | $16.1M | $16.5M |
| 2020 | $19.1M | $18.9M | $18.8M |
| 2021 | $20.0M | $19.9M | $20.0M |
| 2022 | $20.9M | $21.0M | $21.0M |
| 2023 | $21.8M | $22.0M | $22.1M |
| Total | $98.9M | $97.9M | $98.4M |

Planning and Administration

Ordinance 18555 limits planning and administration to five percent of each of the allocations for veterans, seniors and vulnerable populations. The VSHSL Implementation Plan defines planning[[10]](#footnote-10) and administration[[11]](#footnote-11) consistent with the Council-adopted VSHSL Transition Plan except that under the Implementation Plan, planning does not include activities related to the provision of support for the VSHSL's resident oversight board(s) as it does in the Transition Plan. This refinement is consistent with DCHS being further along in implementation planning and is not contrary to any provisions of the levy ordinance. The Implementation Plan appears to adhere to the five percent levy ordinance-directed maximum on planning and administration within each of the population-based allocations.[[12]](#footnote-12)

Technical Assistance and Capacity Building**[[13]](#footnote-13)**

Ordinance 18555, Section 4.A. sets aside at least one percent of each year’s proceeds to be used to fund technical assistance and capacity building. The VSHSL Transition Plan allocated a total of $525,000 from 2018 levy proceeds toward technical assistance and capacity building.[[14]](#footnote-14) Ordinance 18555, Section 1.H defines technical assistance and capacity building as follows:

*"'Technical assistance and capacity building' means assisting small organizations, partnerships and groups to enable such entities to provide regional health and human services and capital facilities funded by the levy proceeds. Assistance may include, but is not limited to, providing or funding, legal, accounting, human resources and leadership development services and support."*

The VSHSL Implementation Plan allocates the amounts in Table 3 below for technical assistance and capacity building; these appear to comply with the levy ordinance directed minimums.

**Table 3**

**Technical Assistance and Capacity Building Allocations 2019-2023**

|  |  |  |
| --- | --- | --- |
| **Allocation Year** | **PROPOSED** **Allocation Amount** | **PROPOSED****Percent of Levy Total[[15]](#footnote-15)** |
| **2019** | $565,000 | 1% |
| **2020** | $590,000 | 1% |
| **2021** | $620,000 | 1% |
| **2022** | $650,000 | 1% |
| **2023** | $791,781 | 1.1% |

Under the transmitted Implementation Plan allocated funds for technical assistance and capacity building may be used for the following four eligible services as well as other services not itemized.

1. Provision of technical assistance that supports entities in responding to the VSHSL RFP processes, including translation and interpretation services to assist an entity in responding to an RFP;
2. Provision of access to organizations that can assess and improve an eligible organization's internal processes;
3. Assisting an organization in improving performance in levy-funded programs or contracts;
4. Funding the translation of materials or provision of interpreter services for any eligible provider of County-funded veterans, seniors or human services, even if the source of KC funding is not the VSHSL.

The VSHSL Annual Report[[16]](#footnote-16) is required, under the transmitted Implementation Plan, to include a description of the prior year's use of technical assistance and capacity building funds.

Mitigation of Prorationing[[17]](#footnote-17)

Ordinance 18555, Section 4.B, 4.C.1. and 4.C.2. provide for $300,000 set-aside per year of collections for the purpose, and subject to the process outlined in the levy ordinance, of suppression mitigation. Section 4.C.2. outlines that unless the Council by ordinance otherwise directs, reserved proceeds for prorationing not otherwise expended shall be, no earlier than June 1, 2023, divided in thirds and expended for the purposes set forth in each population-based allocation category.

The transmitted Implementation Plan allocates the required $300,000 from each year’s levy proceeds, which will accrue within the fund until appropriated by the Council for mitigation of prorationing of suppressed park or fire districts as directed under Ordinance 18555. The Implementation Plan is consistent with the levy ordinance provisions on non-expended funds from this set-aside.

Proposed Strategies and Programs

The following sub-sections summarize the transmitted strategies and programs under each result area. These are Housing Stability (HS), Financial Stability (FS), Social Engagement (SE), Healthy Living (HL), and Service System Improvement and Access (SS). Not all VHSL2 strategies are carried forward into the VSHSL Implementation Plan and some of the strategies described in the Council-adopted VSHSL Transition Plan are configured and numbered differently in the Implementation Plan. The table on page 129 of the transmitted Implementation Plan identifies VSHSL Implementation Plan strategy and program equivalents to former VHSL activities and identifies the six VHSL activities or programs that do not have a VSHSL Implementation Plan equivalent. The Implementation Plan also notes that the continuation of an activity does not guarantee or imply continuation of funding for a particular contractor(s).

* ***Housing Stability Result Area: Strategies and Programs***

The Implementation Plan proposes eight Housing Stability strategies to be implemented for 2019 through 2023. These strategies largely mirror the strategies adopted as part of the Transition Plan, with the removal of the Housing Stability Assistance Program, which is no longer necessary due to legislative action during 2018; and the addition of new strategies to help homeless veterans find housing, reinforce criminal justice diversion and re-entry with housing, and support local solutions for vulnerable populations.

The table labeled "Implementation Plan Proposed Housing Stability Strategies" in Attachment 5 to this staff report provides a summary of the recommended strategies, as well as information about which strategies from the Transition Plan are recommended to be carried forward in the Implementation Plan.

The levy ballot ordinance required that at least 50 percent of funds in each of the population groups during the first year of the levy support housing stability. That requirement was met with the adoption of the Transition Plan. The levy ballot ordinance also required that at least 25 percent of funds in each of the population groups during the remaining years of the levy support housing stability.

As Table 4 shows, based on the proposed allocations for the Housing Stability strategies in the Implementation Plan, the total allocated (across all population groups) would meet the housing stability requirements in each year of the levy. The housing stability requirements would also be met for each year for each population group (please see Attachment 5 to this staff report for more detail).

**Table 4**

**Total Proposed Allocations for Housing Stability Strategies**

| **Year** | **Total Estimated Levy Amount[[18]](#footnote-18)** | **Required Amount for Housing Stability[[19]](#footnote-19)** | **PROPOSED Amount for Housing Stability** | **PROPOSED as Percent of Levy Total** |
| --- | --- | --- | --- | --- |
| 2018[[20]](#footnote-20) | $53,265,713 | $26,632,857[[21]](#footnote-21) | $30,977,000[[22]](#footnote-22) | **58.2%** |
| 2019 | $56,113,787 | $14,028,447 | $22,917,100 | **40.8%** |
| 2020 | $58,946,405 | $14,736,601 | $23,439,200 | **39.8%** |
| 2021 | $61,771,043 | $15,442,761 | $22,920,000 | **37.1%** |
| 2022 | $64,693,989 | $16,173,497 | $22,023,000 | **34.0%** |
| 2023 | $67,740,215 | $16,935,054 | $24,537,000 | **36.2%** |
| **Total** | **$362,531,152** | **$103,949,216** | **$144,566,300** | **39.9%** |

***Homeless Senior Veterans.*** The levy ballot ordinance required that until either (a) 75 percent of the number of seniors, who are also veterans or military servicemembers and who are also homeless, obtain housing, or (b) a total of $24 million dollars from the VSHSL or other County funds are spent to house homeless senior veterans, at least 50 percent of the levy proceeds allocated for seniors and their caregivers must be used to fund capital facilities and regional health and human services for homeless senior veterans and their caregivers and families. The levy ordinance required that the number of homeless senior veterans be set as of the enactment date of the levy ordinance.[[23]](#footnote-23)

The Transition Plan identified the number of homeless senior veterans as of the levy ordinance enactment date as 422, meaning that achieving the goal of housing 75 percent of homeless senior veterans would require housing 317 people.[[24]](#footnote-24) The Transition Plan required that DCHS provide a quarterly update via memorandum on the number of homeless senior veterans housed. The most recent of those memos, dated March 30, 2018, notes that as of March 28, 2018, 237 homeless senior veterans in King County have obtained housing. DCHS staff note that it is their intention to satisfy the requirements of this condition by the end of 2018.

***Housing Stability Definition.*** The levy ballot ordinance required that the Transition Plan include a definition of housing stability, which could then be refined in the Implementation Plan.[[25]](#footnote-25) The Implementation Plan complies with this requirement by using the same definition as was included in the Transition Plan: “Housing stability is a household’s ability to gain and maintain safe, habitable housing in a community of one’s choice for less than approximately forty percent of household income.”[[26]](#footnote-26)

***Geographic Diversity.*** The levy ballot ordinance also required that the Transition Plan and Implementation Plan include information on addressing geographic variations in housing costs.[[27]](#footnote-27) That information was included in the adopted Transition Plan[[28]](#footnote-28) and is included as well in the proposed Implementation Plan.[[29]](#footnote-29) It commits that procurement processes will not unduly disfavor sub regions of King County where high average or median incomes may mask concentrations of poverty within them.

* ***Financial Stability Result Area: Strategies and Programs***

The VSHSL Implementation Plan's proposed Financial Stability (FS) strategies are aimed at supporting programs that promote financial stability for the levy’s priority populations. *Financial stability* is defined in the VSHSL IP to mean “one’s ability to comfortably afford necessary expenses while making modest investments to secure long-term ability to accomplish personal goals”. As indicated by Executive staff, this is a community-driven definition. The table labeled "Implementation Plan Proposed Financial Stability Strategies" in Attachment 5 to this staff report summarizes the proposed seven strategies and programs within this outcomes area. Together, the proposed Financial Stability Strategies in the Implementation Plan are allocated $39,782,000 of 2019-2023 levy proceeds or approximately 13% of estimated collections over the course of this period.

* ***Social Engagement Result Area: Strategies and Programs***

The VSHSL's Implementation Plan's proposed Social Engagement (SE) strategies are aimed at supporting programs that better connect isolated persons or groups to King County's broader community. The VSHSL IP defines social engagement as "one's feeling that they belong." The table labeled "Implementation Plan Social Stability Strategies" in Attachment 5 of the staff report summarizes the proposed 11 strategies and programs within this result area. Together, the proposed Social Engagement Strategies in the Implementation Plan are allocated $37,621,000 of 2019-2023 levy proceeds or approximately 12% of estimated collections over the course of this period. The Council-adopted VSHSL Transition Plan also included $3,500,000 funding from 2018 proceeds for Senior Centers.

* ***Healthy Living Result Area: Strategies and Programs***

The VSHSL Implementation Plan's proposed Healthy Living (HL) strategies are aimed at promoting better health outcomes for individuals in King County and a more sustainable medical care system that prevents crises instead of responding to them. The table labeled "Implementation Plan Proposed Healthy Living Strategies" in Attachment 5 to this staff report summarizes the proposed 17 strategies and programs within this result area. Together, the proposed Healthy Living Strategies in the Implementation Plan are allocated $43,652,000 of 2019-2023 levy proceeds or approximately 14% of estimated collections over the course of this period.

* ***Service System Access and Improvement Result Area: Strategies and Programs***

The VSHSL Implementation Plan's proposed Service System Access and Improvement (SS) strategies are aimed at promoting the ability of veterans, seniors and vulnerable populations to access the human services system and to improve the ability of these services to systematize and engage in continuous improvement. The table labeled "Implementation Plan Proposed Service System Access Strategies" in Attachment 5 to this staff report summarizes the proposed 18 strategies and programs within this result area. Together, the Service System Access and Improvement Strategies and Programs in the Implementation Plan are allocated $42,855,000 of 2019-2023 levy proceeds or approximately 14% of estimated collections over the course of this period.

Contingent Annual Requirement for Seniors who are also Veterans and Military Servicemembers. As noted above, the levy ballot ordinance required that until either (a) 75 percent of the number of seniors, who are also veterans or military servicemembers and who are also homeless, obtain housing, or (b) a total of $24 million dollars from the VSHSL or other County funds are spent to house homeless senior veterans, at least 50 percent of the levy proceeds allocated for seniors and their caregivers must be used to fund capital facilities and regional health and human services for homeless senior veterans and their caregivers and families.

The levy ballot ordinance also required that levy accountability measures must include the goal of housing 75 percent of the identified number of senior homeless veterans, include the methodology of how the number of homeless senior veterans was determined, include the methodology to track the number of veterans and military servicemembers who obtain housing over the term of the levy, and provide for the implementation of the tracking.

The Transition Plan identified the number of homeless senior veterans as of the levy ordinance enactment date as 422, meaning that achieving the goal of housing 75 percent of homeless senior veterans would require housing 317 people.[[30]](#footnote-30) The Transition Plan identified the methodology that was used to calculate this number using King County’s Homeless Management Information System, and described how the condition in the levy ordinance would be satisfied and monitored moving forward. The Transition Plan required that DCHS provide a quarterly update via memorandum on the number of homeless senior veterans housed. The most recent of those memos, dated March 30, 2018 (Attachment 6), notes that as of March 28, 2018, 237 homeless senior veterans in King County have obtained housing. DCHS staff note that it is their intention to satisfy the requirements of this condition by the end of 2018.

If that requirement is not met by the end of 2018, the Implementation Plan outlines how funding will be reallocated toward housing for homeless senior veterans from other VSHSL strategies. That listing, in reallocation order, can be found on page 138 of the May 9, 2018 version of this Implementation Plan.

**Building the Capacity and Support the Operation of Health and Human Services Providers.** Ordinance 18555 requires that the transmitted VSHSL Implementation Plan identify the service, programs, operation and capital facilities that "build the capacity and support the operation of health and human services providers to serve their clients and communities, including strategies to promote retention, recruitment and pay of high quality service providers."[[31]](#footnote-31) The transmitted Implementation Plan identifies four of the plan's components as fulfilling this requirement as follows:

* Programs: SS 4.B. (Levy Core Competency Training) and SS 4.C. (Countywide Nonprofit Wage Survey) are identified being consistent with this requirement;
* Annual Allocation Growth for Programs: The Implementation Plan states that the growth in allocations for most programs over the course of the levy period in order to accommodate increasing cost and contribute to staff retention at provider organizations is consistent with this requirement;
* Technical Assistance and Capacity Building**:** The Implementation Plan notes that effects of capacity building for small organizations can include the improvement of centralized systems and the promotion of staff retention;
* Provisional Staff Retention Performance Measure: The Implementation Plan's provisional performance measures include a draft measure for programs to report staff retention or turn-over, data which levy staff anticipate using to partner with providers, design interventions, and mitigate negative trends.

**Incorporation of VSHSL Transition Plan.** As noted earlier in this Staff Report, Ordinance 18555 directs that upon adoption of the VSHSL Implementation Plan by Council the VSHSL Transition Plan loses force and effect. The adopted Transition Plan allocates 2018 proceeds to a range of housing stability investments, continuation of most 2017 programs under the VHSL2 at 2017 service levels, technical assistance and capacity building investments, and investments in senior centers. The VSHSL Implementation Plan only allocates VSHSL proceeds from 2019 through 2023. The Implementation Plan contains language that directs the following with respect to 2018 VSHSL proceeds allocated in the VSHSL Transition Plan:

"The Implementation Plan incorporates the material elements of the VSHSL Transition Plan, including its directed strategies, programming, activities and allocations of VSHSL 2018 proceeds, including allocations and authorizations for activities related to planning, administration, and evaluation of the VSHSL in 2018. These allocations shall remain in effect until December 31, 2018 or the effective date of the ordinance adopting this Implementation Plan, whichever is later. Specific Transition Plan strategies, including but not limited to the Transition Plan's Housing Stability Strategy One ("Capital and Operating Funds") for Veterans, Seniors and Vulnerable Populations and Housing Stability Strategy Two ("Master Leasing Strategy and Shallow Rent Subsidies") for Veterans, Seniors and Vulnerable Populations, to which the Transition Plan allocated 2018 proceeds contemplating that strategy and program execution and expenditure may take place in 2018 or later years, are incorporated and authorized to continue execution and expenditure consistent with the Transition Plan, subject to appropriation."[[32]](#footnote-32)

Additionally, this section of the Implementation Plan includes the table of 2017 VHSL services continued in 2018 under the authority of the Transition Plan.

Executive Staff have noted that where language in the description for a strategy or program in the Implementation Plan has been generalized, broadened, altered or reconfigured, in the case of Transition Plan strategies that have been merged or separated in the Implementation Plan, the language in the Implementation Plan is intended to incorporate Council’s direction as to the implementation of the strategy in 2019-2023, despite absence of the specific language that was included in the Transition Plan for 2018 implementation within the transmitted Implementation Plan.

**Reserves and Priority for Annual Allocation of Uncommitted Proceeds.** The VSHSL Implementation Plan notes that the Implementation Plan's allocations are based on the March 2018 Office of Economic and Financial Analysis (OEFA) forecast. It includes a goal of maintaining a fund reserve sufficient to allow the allocations in the implementation plan to remain intact despite normal variations in annual levy proceeds relative to OEFA's forecast and in the event the levy expires in 2023 without renewal for a "responsible closeout of levy-funded programs."[[33]](#footnote-33) The reserve goal is 1/6 of that year's budgeted allocations under the plan.[[34]](#footnote-34)

The Implementation Plan directs expenditure of uncommitted proceeds (due to program roll-out timeline, actual expenditure variations, variations in collection, or potential program sanctions for underperformance or non-compliance). Beginning in 2019 with the close of the 2018 fiscal year, the Implementation plan directs that DCHS may reallocate uncommitted proceeds as follows:

* First priority for reallocation – fund the VSHSL fund reserve to the goal amount.
* Second priority for reallocation – board or boards under the VSHSL Governance Plan will consider proposals by VSHSL staff to reallocate uncommitted funds to any strategy, program or purpose described in the Implementation Plan so long as these are eligible under the levy ordinance.
	+ The plan notes that agencies or entities may present proposals to DCHS in the form of a letter mailed or emailed to the director and with a copy to staff responsible for overseeing the VSHSL.

**Measuring Performance and Reporting.** Ordinance 18555 directs the VSHSL Implementation Plan to include several performance measurement and reporting-related pieces of information. The following sub-sections outline these requirements and describe how they are fulfilled in the transmitted Implementation Plan.

Accountability Measures

Ordinance 18555 directs that the VSHSL Implementation Plan identify and describe "accountability measures, including measurable outcomes or results expected for each of the three populations...across each of the five outcome areas...due to the expenditure of levy proceeds"[[35]](#footnote-35). The levy ordinance further required that these accountability measures include the goal of housing seventy-five percent of the number of those seniors, who are also veterans or military servicemembers in King County, who, as of the date of the enactment of Ordinance 18555, were homeless.[[36]](#footnote-36) Further, Ordinance 18555 requires that the Implementation Plan include information on how performance monitoring and reporting will focus on results.[[37]](#footnote-37)

The transmitted Implementation Plan provides an overview of the approach and methodology that will be taken in measuring the VSHSL's strategies' and programs' performance. Broadly, the approach will be Results Based Accountability (RBA) to guide planning and performance measurement.

The Implementation Plan notes that the VSHSL Performance Measurement Framework will build on successful components of VHSL2's Implementation Plan, particularly its consistent, unified reporting format with clear indicators of where programs were meeting their proposed service level outcomes and also improve the quality and utility of performance measurement in several ways, which include:

* Standardize and align performance measures so that they can be combined to measure collective performance of similar programs;
* Focus on the impact of clients' lives in addition to reporting on the number of clients served;
* Improve data reporting and collection methods to enable VSHSL to analyze performance and report results based on individual client characteristics; and
* Transition to data collection methods that allow VSHSL to analyze and track performance by race/ethnicity to assess equity and social justice goals.

The VSHSL Implementation Plan also provides information on the overarching principles that inform the Performance Measurement Framework and that will guide data analysis and inform quality improvement.[[38]](#footnote-38) The Implementation Plan discusses the two purposes of the Performance Measurement Framework: 1) to guide how programs are monitored and adjust to refine performance and improve client outcomes; and 2) to guide a consistent way of reporting individual VSHSL-program performance and summarizing collective performance of programs in the same result area, thereby enabling course correction, supporting new needs and improving service delivery.

The Implementation Plan also includes provisional draft performance measures[[39]](#footnote-39) for strategies and programs in each of the five VSHSL results: Housing Stability, Financial Stability, Social Engagement, Healthy Living, and Service System Access and Improvement. It is proposed these be identified during the RFP process and that finalization be part of the contracting process, thus strengthening partnerships between KC and VSHSL-funded partners.

The Implementation Plan further proposes that the default for data collection, except where programs are exempted and beginning in 2019[[40]](#footnote-40), be to require individual-level data rather than aggregate program data as was collected during 2012-2017. Such a requirement is in alignment with steps that would need to be taken to move the KC-funded human services system reporting in the direction contemplated by the Department of Community and Human Services in the Consolidated Human Services Reporting Proviso Response acknowledged by Motion 15081. Lastly, the Implementation Plan proposes that, whenever possible, performance measures will be standardized across all programs with similar purposes.

* ***Housing Homeless Senior Veterans.***  As noted above in the section on Housing Stability, the levy ballot ordinance required that levy accountability measures must include the goal of housing 75 percent of the identified number of senior homeless veterans, include the methodology of how the number of homeless senior veterans was determined, include the methodology to track the number of veterans and military servicemembers who obtain housing over the term of the levy, and provide for the implementation of the tracking.

The Transition Plan identified the number of homeless senior veterans as of the levy ordinance enactment date as 422, meaning that achieving the goal of housing 75 percent of homeless senior veterans would require housing 317 people. The Transition Plan identified the methodology that was used to calculate this number using King County’s Homeless Management Information System, and described how the condition in the levy ordinance would be satisfied and monitored moving forward. The Transition Plan required that DCHS provide a quarterly update via memorandum on the number of homeless senior veterans housed. The most recent of those memos, dated March 30, 2018, notes that as of March 28, 2018, 237 homeless senior veterans in King County have obtained housing. DCHS staff note that it is their intention to satisfy the requirements of this condition by the end of 2018.

Reporting

Ordinance 18555 required that the VSHSL Implementation Plan include a performance monitoring program that will assess and report on how the levy is achieving outcomes.[[41]](#footnote-41) The Implementation Plan proposes an annual report, beginning in 2019, which will be transmitted to the Council and the Regional policy Committee by the first day of July of each year for accomplishments from January through December of the preceding year.[[42]](#footnote-42) The Implementation Plan notes that if the VSHSL Governance Plan, adopted by Ordinance 18722, includes an annual reporting provisions, that report and the report required under the Implementation Plan shall be the same report.

Coordinating of Service Provision and Performance Monitoring and Reporting of Other Dedicated Human Services Funds

The levy ordinance required that the Transition Plan provide information on how the program-specific performance monitoring and reporting of the VSHSL will be coordinated with the performance monitoring and reporting of other dedicated human services funds such as the Mental Illness and Drug Dependency sales tax and the Best Starts for Kids Levy.[[43]](#footnote-43) The Implementation Plan includes information on service alignment between services provided by these funds and on coordination of monitoring and reporting.

The Implementation Plan notes that staff continue to explore opportunities for collaboration and potential co-investments to promote coordinated services funded by these three funds. The Implementation Plan further outlines several areas where the service plans of the three initiatives could complement each other including multi-generational activities, therapeutic courts, integrating community partnerships, and aligning performance measurement frameworks. The Implementation Plan notes that beyond identifying blending resources opportunities, staff will remain cognizant during implementation of the prohibition against supplanting funds; the latter will be more thoroughly discussed in the section on supplantation.

In terms of coordinated reporting, the Implementation Plan references the work the Department of Community and Human Services has done around consolidated human services reporting, including the Consolidated Human Services Reporting Report acknowledged by Motion 15081 in response to a proviso in Ordinance 18409 that called for a detailed analysis and a report on the feasibility of consolidated human services reporting. That report concluded that with adequate resources and time, such reporting is feasible and recommended a start date of 2022 and annual reports, dependent on a range of contingencies including a successful transition to collecting individual-level data.

Coordination of VSHSL Housing Stability Investments Oversight with Other Regional Housing Investments Oversight

While not required by the levy ordinance, the Transition Plan required reporting on the coordination of VSHSL housing stability investments oversight with other regional housing investments oversight through a Housing Oversight Coordination Report to be transmitted within one year after enactment of the ordinance that adopts the Transition Plan.[[44]](#footnote-44) That commitment is carried forward in the Implementation Plan, stipulating that the Executive must file the report and a motion accepting the report with the Council, and also committing that the report be provided to the Regional Affordable Housing Task Force as well.[[45]](#footnote-45)

The Implementation Plan incorporates the provisions to this effect that were included in the Council-adopted Transition Plan.[[46]](#footnote-46)

**Supplantation.** Under state law[[47]](#footnote-47), a levy lid lift proposition, such as the Veterans, Seniors and Human Services Levy, may only be used for the specific limited purpose of the levy, as identified in the ballot title. In addition, state law allows for levy funds to be used to provide for existing programs and services, provided the levy funds are used to supplement, but not supplant existing funds. Existing funding is determined based on actual spending in the year in which the levy is placed on the ballot; in the case of the VSHSL levy, existing funding would be determined using actual expenditures in 2017. Existing funding excludes (i.e. exceptions not counted from 2017 actual expenditures include) lost federal funds, lost or expired state grants or loans, extraordinary events not likely to reoccur, changes in contract provisions beyond the control of the taxing district receiving the services, and major nonrecurring capital expenditures.

For the VSHSL, this prohibition on supplantation means that levy funds may be used for entirely new programs and services—in any amount over the life of the levy—and to fund existing programs and services, but only in an amount additional to the amounts the County spent on those programs or services in 2017, unless one of the exceptions noted earlier applies. Additionally, programs and services funded by the former VHSL and supplemented by funds from the Best Starts for Kids levy may need to continue to be funded by the VSHSL (or other non-BSK levy county fund) at 2015 levels in order to not raise a supplantation issue for programs to which the prohibition applies that are funded with Best Starts for Kids levy proceeds.

Council Staff has requested the Executive's supplantation analysis. The Executive has provided the following information:

"Current County practice for analyzing supplantation, including how supplantation was analyzed for BSK, is to analyze supplantation at the aggregate level. Based on 2017 actual expenditures and planned and estimated 2018 expenditures, we do not expect that supplantation will occur as a result of enactment of the proposed VSHSL Implementation Plan. Based on current 2018 budgets, the VSHSL Implementation Plan's proposed spending combined with the County's other spending on initiatives funded by VSHSL would maintain or increase funding to VSHSL initiatives relative to 2017 expenditures."

**Reserves.** The transmitted VSHSL Fund financial plan accompanying the Transition Plan as well as the Implementation Plan each noted that the VSHSL Fund would carry a 60-day rainy day reserve. According to this document and Executive Staff answers to Council questions, the goal is for the reserve to be fully funded by the 2019-2020 biennium; however, there may be a reserve shortfall at the end of 2018 due to prioritizing housing stability RFPs in 2018.

**ISSUES**

Staff, in consultation with legal counsel, identified a range of technical issues in the transmitted legislation (Proposed Ordinance 2018-0173.1) as follows:

* References to the "levy ordinance" or "ballot ordinance" may be ambiguous as to whether Ordinance 18555 is being referenced or another ordinance placing before voters a ballot measure proposition.
* References to the "Implementation Plan" are at times unclear or ambiguous as to which implementation plan is being referenced.
* The Implementation Plan is unclear about the meanings and usage of words such as entities, providers, community based organizations, and other terms that are, at times, used interchangeably, in discussions about what entities may be fundable under programs and strategies.
* When describing the effect of prior legislation, terminology is at times unclear.
* References to county staff working on programs and projects funded by various funds administered by the Department of Community and Human Services is vague as this staff is not identified in King County Code.
* Definitions of terms in the levy ordinance have been slightly changed as, at times, has the way those terms are referenced. Executive staff have noted that this was not intentional.
* The description of the relationship between the Transition Plan and the Implementation Plan is at times unclear.
* There is no language that explicitly acknowledges that the VSHSL Implementation Plan incorporates the King County Veterans Program as it pertains to veterans although the plan effectively does this.

Staff also identified the following additional issues:

* Investment Flexibility: Allocation amounts and allocation tables do not provide for investment flexibility in the event such flexibility might be needed due to a range of eventualities including revenue changes and/or performance issues. These also do not indicate that investments are subject to appropriation.
* Procurement: While Executive Staff have indicated that the default for every program in the VSHSL Implementation Plan (subject to other language and specifications within specific program descriptions) is that "it will be administered through a competitive process", the plan does not include language to this effect.

**May 9, 2018 RPC Amendments**

At the direction of the Chair of the RPC, staff drafted a striking amendment, Striking Amendment S1 to Proposed Ordinance 2018-0173.1, to address all of the technical issues identified above as well as to add language that provides for investment flexibility and language that clarifies procurement intent as articulated by the Executive. This striking amendment was further amended in committee to also include the following changes:

* Added language to FS 1.C (Leverage Government Benefits) that requires the use of a portion of the veterans proceeds allocated for this program for every year, 2019 through 2023, for on-site advocacy or on-site non-for-profit or pro bono legal services in parts of King County that do not have convenient access to King County Veterans Program Offices.
* Added language to SS 2.D (Remote Access from Rural Food Banks Pilot Program) that allows for funding of rural food banks to be utilized to support rural food banks in serving as centralized information and access points for regional health and human services; and removed provisions related to creating a workshop to define food banks; and changed timeline language to allow for earlier funding (of the pilot) if uncommitted VSHSL funding becomes available prior to 2021 in accordance with the reallocation of uncommitted proceeds section of the VSHSL Implementation Plan.

Striking amendment S1 to Proposed Ordinance 2018-0173.1, as amended, was adopted by the Regional Policy Committee at its May 9, 2018 meeting.

**June 26, 2018 HHHS Amendments**

At the direction of the Chair of the HHHS Committee, staff drafted a striking amendment, Striking Amendment S1 to Proposed Ordinance 2018-0173.2, which substituted Attachment A with an updated version that did the following:

* Made a series of grammatical and technical edits.
* Expands language on race to include ethnicities.
* Updates legislative history of the VSHSL Governance Plan.
* Excludes from the definition of planning and administration work that consolidates human services reporting and includes a clause directing DCHS or VSHSL staff to consider recommending funding the work to effectuate the recommendations of the Consolidated Human Services Reporting Report acknowledged by Motion 15081 with available uncommitted VSHSL proceeds allocated pursuant to Section 4.B. of Ordinance 18555, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Updates Point in Time Count to account for 2018 numbers.
* Provides updated data on sexual violence prevalence in WA State.
* Adds additional information on human trafficking, including labor trafficking, and notes ongoing work by the Commercially Sexually Exploited Children Task Force, the King County Prosecuting Attorney's Office and the Washington Anti-Trafficking Response Network.
* Adds language requiring district staff be invited to participate in workgroups and procurement processes (as nonvoting members) for new contracts fully or partially funded by proceeds from the VSHSL.
* Notes that, while not yet available, data from the U.S. Census Bureau's American Community Survey for 2017 may show a greater percentage of King County households spending more than 30% of income towards rent.
* Notes that other populations, in addition to Veterans, may be particularly challenged by a 40% of income housing stability definition.
* Adds language providing additional clarification to the VSHSL IP transmitted language about addressing geographic variations in housing costs. Notes that funding allocations are to ensure balanced and equitable geographic distribution and notes that people to be served live in communities throughout the county. Adds language in HS1 Build, Preserve and Operate Affordable Housing and Navigation Centers to clarify priority populations serviced should reside in communities throughout King County.
* Provides additional examples of other reasons low-income home owners may face housing loss in the concept description of HS 5.A Housing Counseling and Foreclosure Prevention.
* Adds language to HS 5.C Legal Aid and FS 1.C Leverage Government Benefits to establish a goal of providing equitable access to funded services in convenient locations to residents living throughout King County.
* Provides more recent studies supporting the need for counsel representation in eviction proceedings in the rationale of HS 5.C Legal Aid.
* Adds language to HS 5.C Legal Aid directing DCHS or VSHSL staff to consider recommending increasing funding should uncommitted VSHSL proceeds, allocated pursuant to Section 4.B of Ordinance 18555 become available, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Adds a reference to newly adopted County and State prohibitions against discrimination due to source of income in the rationale of HS 5.C Legal Aid.
* Expands language to permit HS 5.D Housing Stability Program to fund, on an emergency basis, short-term financial assistance to cover partial costs for child care for low-income renters or homeowners facing a crisis who are not likely to need long-term assistance once their housing is stabilized.
* Adds additional information on poverty as a cumulative process and vulnerability associated with compounding disadvantages.
* Expands language to permit FS 1.A Gain Employment and Increase Household Income to fund financial assistance for qualifying low-income parents or other guardians participating in training, placement or support programs to cover partial costs for child care.
* Adds language to FS 1.C Leverage Government Benefits directing DCHS or VSHSL staff to consider increasing funding should uncommitted VSHSL proceeds, allocated pursuant to Section 4.B of Ordinance 18555 become available, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Adds language to FS 3.B Student Veteran Child Care Pilot, directing DCHS or VSHSL staff to consider, at the close of each fiscal year in which this program is operational, if there are available uncommitted VSHSL proceeds allocated pursuant to 4.B.3 (vulnerable populations) of Ordinance 18555, to recommend funding the establishment of a similar pilot for vulnerable population student parents or expanding eligibility of the program, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Allocates funding from SE 1.C Vulnerable Population Reentry Spanning Supports for the creation of a pilot to facilitate apprenticeships with labor unions for individuals existing incarceration.
* Adds a footnote providing additional information on the concept of Senior Virtual Villages.
* Allocates funding from SE 4.B Veterans, Servicemembers and Family Community Building to create a Council-directed grant program that will operate in each Council district for veterans service organizations ($2,500 minimum grant up to $10,000 per district per year starting in 2019).
* Adds language to SE 6 Support Legal Services for King County Residents who are Immigrants and Refugees directing DCHS or VSHSL staff to consider recommending additional funding for this program should uncommitted VSHSL proceeds, allocated pursuant to Section 4.B.3 (vulnerable populations) of Ordinance 18555 become available, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Adds language to HL 2.A Evidence-Based Senior Health Promotion that notes evidence-based healthy aging programs in King County include clinical evaluations that address health or medical issues that may contribute to falls and adds language that specifies that programs serving seniors who experience vision impairment or vision loss may be funded.
* Clarifies, in HL 3.A Countywide Sexual Assault, Domestic Violence and Commercial Sexual Exploitation Prevention Pilot that the reference to lack of an individual entity in King County with the resources to effectively implement and maintain a program in preventing violence is referring to gender-based violence.
* Adds language to the concept of SS 1.B Women Veterans to include transgender veterans.
* Adds language to the rationale of SS 1.B Women Veterans on the need for programs to respond to unacceptably high rates of rape, sexual assault and trauma that women experience during their military service.
* Adds a new program SS 3.E Support System Access for King County Residents who are Immigrants or Refugees. The program would fund services such as citizenship services, English language courses, and interpretation and translation services. The program may operate from 2019 through 2023 and would be funded with uncommitted proceeds, if they become available, allocated pursuant to Section 4.B.3 (vulnerable populations) of Ordinance 18555, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds.
* Adds a new program SS 3.F Homeless Youth and Young Adults Prevention and Crisis Services. The program would fund prevention and crisis intervention services to vulnerable population youth and young adults in King County experiencing or at risk of experiencing homelessness. This program may operate every year from 2019 through 2023. Should uncommitted VSHSL proceeds, allocated pursuant to Section 4.B.3 of Ordinance 18555, become available, in accordance with the provisions of this implementation plan governing reallocation of unspent or uncommitted funds, DCHS or VSHSL staff shall consider recommending funding for this program.
* Changes the lead paragraph in the Estimated Funding Allocation Tables section of the plan to direct that program and strategy estimated allocation tables shall control where there is any conflict or discrepancy between the summary tables and a particular strategy's or program's description, concept, timeline, scope or estimated allocation table in the body of the plan preceding the summary tables.
* Makes changes to the plan's default process for reallocating unspent proceeds to align with program and allocation adds throughout the plan and to clarify that the reallocation process is subject to appropriated expenditure authority.
* Replaces draft performance charts for HL 4.A Nurse Family Partnership, HL 4.B Healthy Start, and HL 4.C Parent Education and Support to clarify that performance measures for these programs will be defined and monitored by BSK to support consolidated reporting.
* Adds language requiring annual reports to include a summary of investments by Council district. Exec. may use discretion to determine what measure shall be used to report given data available and other considerations.

This striking amendment was further amended in committee to also include the following changes:

* Adds language directing consideration be given to prevalence of needs throughout the geography of King County, regardless of whether social indicators for a region may mask localized or individualized need, when funding provision of services.
* Clarifies that the King County Immigrant and Refugee Commission was established in February 2018 (Ordinance 18653).
* Requires that a notification letter be transmitted to Council if, without Council direction or concurrence, the Executive makes a determination to make a substantive change to the funding allocations estimated in the Implementation Plan. Allows Council to pass a motion rejecting the contemplated change within thirty days of the Executive's transmittal.
* Allows funding from HS 1 (Build, Preserve and Operate Affordable Housing and Navigation Centers) to develop and operate a 100-bed navigation center at Harborview Hall.
* Allows, if other funding sources are not available, program FS 1.A (Employment Training, Placement and Supports) to also provide employment supportive services to vulnerable population youth and young adults at-risk of homelessness or experiencing homelessness.

Striking amendment S1 to Proposed Ordinance 2018-0173.2, as amended, was adopted by the Health, Housing and Human Services Committee at its June 26, 2018 meeting.

**July 2, 2018 Council Amendments**

The King County Council took action on 2018-0173.3 at its July 2, 2018 meeting. The Council adopted two amendments. The first amendment adds language to program FS 1.A (Employment Training, Placement and Supports) that asks that services “recognize and be responsive to the unique needs of limited-English-proficient King County residents who are immigrants or refugees”. The second amendment adds a new program (HL 3.C Support Community Strategies to Address Gun Violence) among the levy's three target populations and directs DCHS or VSHSL staff to consider recommending funding this program with available uncommitted VSHSL proceeds.

The Council then re-referred the amended version—2018-0173.4—to the Regional Policy Committee for its review and recommendation.

1. The Housing Stability Assistance Program, which was included in the Transition Plan as a 2018-only cross-allocation strategy intended to limit the effect of the VSHSL levy lid lift upon low-income owner-occupants who reside in King County and who are enrolled in the County’s property tax exemption program, would not continue as part of the Implementation Plan as it is no longer necessary, due to changes to RCW 84.36.381 made by the State Legislature during 2018 via 2597-S.SL. [↑](#footnote-ref-1)
2. In April 2006 the Council adopted Ordinance 15406 which provided direction regarding expenditure of levy proceeds from the regional human services levy for veterans and others in need and requiring the creation of a SIP to guide use of levy funds. [↑](#footnote-ref-2)
3. [↑](#footnote-ref-3)
4. "Vulnerable population" means persons or communities that are susceptible to reduced health, housing, financial or social stability outcomes because of current experience of or historical exposure to trauma, violence, poverty, isolation, bias, racism, stigma, discrimination, disability or chronic illness. Examples of vulnerable populations include, but are not limited to survivors of domestic violence; survivors of sexual assault; survivors of human trafficking, including labor trafficking and sex trafficking; survivors of commercial sexual exploitation; persons who identify as lesbian, gay, bisexual, transgender, queer or intersex; persons with a disability; African Americans and other persons of color who have been disproportionately impacted by policies and practices resulting in housing instability or housing insecurity; family caregivers for persons with a disability; immigrants and refugees; low-income residents of rural communities; persons living in poverty; persons at risk of or experiencing homelessness; youth involved in the child welfare system, including youth in the foster care system, and young adult alumni of the child welfare system; minors who have been separated from both parents and other relatives and are not being cared for by an adult who, by law or custom, is responsible for doing so; persons reentering society from criminal justice system involvement; and persons at risk of criminal justice system involvement due to disproportionate practices of enforcement, mental illness or substance use disorders. [↑](#footnote-ref-4)
5. The VSHSL Transition Plan stated that there were 422 homeless senior veterans in King County on the date the levy ordinance was enacted, and that, as a result, the 75 percent target is 317. In a memo to the Council on March 30, 2018, the Department of Community and Human Services stated that as of March 28, 20187, 237 homeless senior veterans in King County have obtained housing. [↑](#footnote-ref-5)
6. Under Ordinance 18555, Section 7.C. expenditure of VSHSL levy proceeds is limited as follows: *“Until the council adopts by ordinance the transition plan referenced in subsection A. of this section, subject to appropriation, levy proceeds may only be expended to continue service provided in 2017 at 2017 service levels and such expenditures shall be governed by the Service Improvement Plan 2012-2017 – Veterans and Human Services Levy adopted by Ordinance 17236. No levy proceeds may be expended for new regional health and human services or capital facilities until the council adopts by ordinance the transition plan referenced in subsection A. of this section.”* [↑](#footnote-ref-6)
7. Ordinance 18555, lines 503-508. [↑](#footnote-ref-7)
8. Some strategies contemplate programs under the strategy while others do not. [↑](#footnote-ref-8)
9. Ordinance 18555, lines 503-506. [↑](#footnote-ref-9)
10. The Implementation Plan defines planning as referring "to staff positions and their related activities that research, design, prepare for and execute the fiscal, human resources and management-level direction-setting and supervision of the VSHSL as a whole. Planning staff positions and activities have responsibilities across multiple VSHSL programs. 'Planning' does not include staff positions and their related activities that conduct performance measurement and evaluation of the VSHSL and its programs, that manage community partnerships and communications about the VSHSL, or that provide or implement VSHSL-funded capital and regional health and human services." Transmitted VSHSL Implementation Plan, pg. 16. [↑](#footnote-ref-10)
11. The Implementation Plan defines administration as "staff positions and their related activities that oversee, direct or enable the operation of multiple VSHSL strategies, programs, or the VSHSL as a whole. Examples of 'administration' include staff and activities that provide support for the VSHSL's resident oversight board and boards, staff and related activities that provide fiscal planning and accounting services for the levy, perform management-level supervision of VSHSL planning and accounting services for the levy, perform management-level supervision of VSHSL staff across multiple VSHSL programs, manage and execute procurement processes, manage overall levy performance or performance among multiple levy programs, or provide other division or department-level oversight services. 'Administration' does not include staff positions and their related activities that conduct performance measurement and evaluation of the VSHSL and its programs, that manage community partnerships and communications about the VSHSL, or that provide or implement VSHSL-funded capital and regional health and human services." Transmitted VSHSL Implementation Plan, pg. 16. [↑](#footnote-ref-11)
12. A proviso included in Ordinance 18616, due July 15, 2018, provisos $200,000 until the executive transmits a report on the projected and actual encumbrances in 2018 for and the expenditures, between January 1, 2018, through May 15, 2018, of veterans, seniors and human services levy proceeds on all King County employee positions as well as other costs related to implementing the VSHSL Transition Plan excluding services or activities provided directly by the county, planning or administration as defined in the Transition Plan and contracts for services provided by third-party providers. [↑](#footnote-ref-12)
13. Ordinance 18555, Section 1.H. defines technical assistance and capacity building as “assisting small organizations, partnerships and groups to enable such entities to provide regional health and human services and capital facilities funded by the levy proceeds. Assistance may include, but is not limited to, providing or funding legal, accounting, human resources and leadership development services and support. [↑](#footnote-ref-13)
14. This is based on a levy proceeds estimate of $52,366,358 in 2018, based on August 2017 OEFA figures. [↑](#footnote-ref-14)
15. Based on March 2018 OEFA Figures [↑](#footnote-ref-15)
16. This report will be further discussed in the evaluation section of the staff report. [↑](#footnote-ref-16)
17. RCW 84.52.043 establishes a maximum aggregate property tax rate of $5.90 per $1,000 of assessed valuation for counties, cities, fire districts, library districts, and certain other junior taxing districts. Under state law, if a taxing district reaches its statutory rate limitation, reductions are made in accordance with a district hierarchy established under RCW 84.52.010. In general, countywide levies (such as the Veterans, Seniors and Human Services levy) are the most senior taxing districts and would be the last to be reduced, or prorationed, under state law. [↑](#footnote-ref-17)
18. Based on March 2018 OEFA forecast [↑](#footnote-ref-18)
19. Please note that this “required amount” is an over-estimate, as it does not subtract out the annual one percent for technical assistance or the annual $300,000 for prorationing. [↑](#footnote-ref-19)
20. Already completed with adopted of Transition Plan [↑](#footnote-ref-20)
21. Note that the first year of the levy required 50 percent to be used for housing stability, with remaining years requiring 25 percent. [↑](#footnote-ref-21)
22. Already approved as part of Transition Plan. Please note that in addition to the identified Housing Stability strategies, the Transition Plan included $2.25 million in other strategies carried forward from the VHSL that were intended to contribute to housing stability for veterans. This additional $2.25 million is included in the 2018 total in the table. [↑](#footnote-ref-22)
23. Ordinance 18555 Section 4.B.2. [↑](#footnote-ref-23)
24. Ordinance 18638 Attachment A page 4, page 52-53. [↑](#footnote-ref-24)
25. Ordinance 18555 Sections 7.A.3 and 7.B [↑](#footnote-ref-25)
26. PO 2018-0173.1 Attachment A, p. 17 [↑](#footnote-ref-26)
27. Ordinance 18555 Section 7.A.3 and 7.B [↑](#footnote-ref-27)
28. Ordinance 18638 Attachment A, p. 54 [↑](#footnote-ref-28)
29. PO 2018-0173.1 Attachment A, p. 46 [↑](#footnote-ref-29)
30. Ordinance 18638 Attachment A page 4, page 52-53. [↑](#footnote-ref-30)
31. Ordinance 18555, lines 522-526. [↑](#footnote-ref-31)
32. Transmitted VSHSL Transition plan, pg. 19. [↑](#footnote-ref-32)
33. Transmitted VSHSL Implementation Plan, pg. 138. [↑](#footnote-ref-33)
34. The Council-adopted Transition Plan was based on the August 2017 OEFA forecast. Executive Staff have indicated that the expected surplus of funds, since the March 2018 OEFA forecast is higher, will be used to back-fill 2018 reserves to comply with the Implementation Plan's reserve policy. [↑](#footnote-ref-34)
35. Ordinance 18555, lines 526 – 230. [↑](#footnote-ref-35)
36. Ordinance 18555, lines 536 – 539. [↑](#footnote-ref-36)
37. Ordinance 18555, lines 545 – 547. [↑](#footnote-ref-37)
38. These are: 1. grounded in the County's Equity and Social Justice work; 2. Transparency; 3. Continuous improvement; 4. Integration of Performance Measurement throughout the RFP, contracting, implementation and performance management process; 5. Focused on whether and how programs make their clients "better off"; 6. Align with other county policy initiatives. Transmitted VSHSL Implementation Plan, pg. 142. [↑](#footnote-ref-38)
39. The plan notes that further refinement of these will be necessary as implementation planning continues and in light of prevailing responses to RFPs and upon finalization of contracts and memoranda of agreement for execution of VSHSL programs. [↑](#footnote-ref-39)
40. Note that the plan proposes to maintain an updated 2017 performance monitoring framework for continuing programs in 2018 as adopted in the Transition Plan and to move toward the Implementation Plan framework in 2019. [↑](#footnote-ref-40)
41. Ordinance 18555, lines 531 – 532. [↑](#footnote-ref-41)
42. Note that the first report, in 2018, would be controlled by the provisions of the Transition Plan. [↑](#footnote-ref-42)
43. Ordinance 18555, lines 532 – 535. [↑](#footnote-ref-43)
44. Ordinance 18368 Attachment a, page 20 [↑](#footnote-ref-44)
45. PO 2018-0173 Attachment A, pp. 169-170 [↑](#footnote-ref-45)
46. Transmitted Implementation Plan, pg. 169. [↑](#footnote-ref-46)
47. RCW 84.55.050. [↑](#footnote-ref-47)