

CITY OF KIRKLAND
2025-2026 PRELIMINARY BUDGET
ISSUE PAPERS

TABLE OF CONTENTS

The Table of Contents is hyperlinked. To jump to a specific section from the Table of Contents, hover over on the title or page number and click the mouse.

Human Services.....	IP-1
Fire Overtime	IP-13
Outside Agencies and Tourism Funding.....	IP-27
Health Benefits.....	IP-33
Credit Card Fees.....	IP-41
Current State of Homelessness Continuum of Care	IP-49
Evaluation of Current Legal Climate Related to Homelessness.....	IP-95
Authorized Encampments Potential Code Changes	IP-103
Overview of Tiny House Program Models	IP-107
Vehicle and RV Residency Program Models	IP-117



MEMORANDUM

To: Kurt Triplett, City Manager
Michael Olson, Director of Finance and Administration

From: Lynn Zwaagstra, Director of Parks and Community Services
Jen Boone, Human Services Manager
Andrea Peterman, Senior Financial Analyst

Date: October 15, 2024

Subject: **2025-2026 Human Services Issue Paper**

RECOMMENDATION:

Staff recommends that the City Council reviews the human services issue paper for the 2025-2026 budget cycle.

EXECUTIVE SUMMARY:

- This issue paper summarizes the investments the City has made across all departments to address basic community needs by providing human services grants to agencies that provide Kirkland residents with housing, food, healthcare, transportation, and a sense of belonging.
- The base budget for human services grant funds is \$1,730,932. Additional financial resources have been earmarked each biennium in addition to general fund dollars, including Community Development Block Grant, Prop 1, Multifamily Tax Exemption, House Bill 1406, CARES, and American Rescue Plan Act funding. The current proposed budget for 2025-2026 matches the one-time funding amount provided in 2023-2024 totaling \$2,618,972 per year and \$5,237,944 per biennium.
- The City received 128 grant applications requesting \$5,394,424 per year, totaling over \$10.7 million per biennium.
- The Human Services Commission recommended funding programs to address homelessness, affordable housing, access to basic needs, behavioral and mental health services, legal assistance, domestic violence, and culturally specific services.
- One-time supplemental fund requests are considered directly by City Council. This strategy aligns with direction from City Council to the Commission to strategize how the City appropriately responds to current community need.
- The City's Human Services Division has expanded to meet community need by directly funding a Homeless Outreach Coordinator. For the 2025-2026 biennium, the City Manager is proposing a .5 FTE Office Specialist position to support the expanded grant program and continuation of the pooled grant fund program with North and East King County cities.

BACKGROUND:

City of Kirkland Funding for Human Services

The City makes investments to address basic community needs through several City functions. While this issue paper focuses on human services grant funding, staff have included a summary of overall human services funding the City provides in the budget for additional context (see

Attachment 1). Funding for human services is incorporated into a variety of operating and non-operating budgets.

Regional Approach to Human Services Grant Funding

The City's Human Services Division works regionally with North and East King County funders to coordinate, collaborate, facilitate, and fund support systems that help residents access basic needs, such as housing, food, healthcare, transportation, and sense of community belonging.

Kirkland has worked with 15 jurisdictions to develop a regional approach to funding. This approach creates benefits that are three-fold: 1) nonprofit organizations experience easier access when seeking funding; 2) simplifying residents' ability to access services, improving their quality of life in Kirkland and the broader Eastside; and 3) leveraging the City's investment in human services grant funding leading to a greater impact in meeting the needs on the Eastside.

Examples of regional investment and partnership among King County cities include:

- Creation of an online joint application between 16 King County cities that agencies can apply for two-year funding to multiple cities using one application.
- Launch of a regional online data collection system, allowing for consistent reporting of programs and funding among cities.
- Participation in a pooled funding program so an agency receiving funding from multiple cities holds one contract, reducing overhead costs and reporting requirements.
- Shared training opportunities for Human Services Commissions to learn about incorporating equity into the grant decision-making framework.

Current Human Services Grant Funding

In 1986, the City of Kirkland began funding organizations to provide human services to Kirkland residents. These general fund dollars have been one of two types of funding. The first are dollars assumed to be in each budget, or "ongoing base budget" dollars. Historically, Council has agreed to provide additional funds to meet increased human service needs. These funds are not guaranteed to be available in future biennium. These dollars are referred to as "one-time" supplemental funding. The ongoing base budget for human services for 2025-2026 is \$1,730,932 per year. The City of Kirkland has added several sources of funding streams to increase the human services base budget for Kirkland residents over the last decade.¹ Table 1. City of Kirkland Funding for Human Services Grants summarizes the investment by source from 2016 to current. Table 2. 2025-2026 Base Budget summarizes the budget per year for human services grant funding for the upcoming biennium.

Community Development Block Grant (CDBG)

Since it became a Joint Agreement City in the King County Urban Consortium in 2015, the City has allocated its share of public services funds from the federal Community Development Block Grant (CDBG) program to grants. The estimated amount for 2025-26 is \$45,725 per year.²

Enhanced Police Services and Community Safety Ballot Measure (Prop 1)

In 2018, Kirkland voters approved a 0.1% public safety sales tax that provided additional funding for police and human services initiatives, including enhanced police services, school resource officers, a Mental Health Professional and second Neighborhood Resource Officer, a gun safety program, and human services funding to address homelessness, mental health needs, domestic violence, and suicide prevention for youth. In 2022, an additional \$186,000 was allocated to human services funding following a program modification to the School

¹ The human services budget has increased 220% since 2016.

² The 2024 amount, which informs the 25-26 number was not received until September 2024 so the 2023 estimate was used in earlier calculations at \$41,785 per year.

Resource Officer (SRO) program.³ The funding available to support human services grants for 2025-2026 is estimated at \$636,406 per year.

Multi-Family Tax Credit Agreement with Kirkland Sustainable (MFTE)

In the fall of 2019, the City entered into an agreement with Kirkland Sustainable Investments, LLC (KSI) to offer new affordable rental housing units and public sector employee rental housing units in downtown Kirkland. Part of this agreement called for “the payment to the City of 65% of KSI’s property tax savings for use by the City to support the Eastside Women and Family Shelter.” The estimated funding available for 2025-2026 is \$79,564.

One-Time Funding

In the 2023-2024 biennium, the grants program received one-time funding of \$888,040 per year through unallocated funds, including House Bill 1406 dollars, American Rescue Plan Act (ARPA), Human Services Reserve, and Prop 1 dollars. For 2025-2026, the City Manager’s proposed budget includes one-time funding of \$1,776,080 for the biennium. The total is sourced by \$658,498 in opioid settlement funds, \$610,130 in general fund dollars, and \$253,726 in general fund revenues to replace House Bill 1406 dollars.⁴ The combined total funding proposed in the City Manager’s budget for 2025-2026 is \$5,237,944 (\$2,618,972 per year).

Table 1. City of Kirkland Funding for Human Services Grants 2016 – 2026

Year	Population	Base Budget				One Time Funding	Total Funding	Per Capita
		General Fund	CDBG	Prop 1	MFTE			
2016	84,680	\$656,944	\$29,892	\$0	\$0	\$129,679	\$816,515	\$9.64
2017	86,080	\$701,758	\$30,691	\$0	\$0	\$171,149	\$903,598	\$10.50
2018	87,240	\$701,758	\$33,687	\$0	\$0	\$171,149	\$906,594	\$10.39
2019	88,940	\$969,237	\$36,664	\$148,818	\$0	\$241,889	\$1,396,608	\$15.70
2020	92,175	\$969,237	\$38,931	\$248,818	\$38,862	\$241,889	\$1,537,737	\$16.68
2021	92,900	\$969,237	\$38,931	\$310,000	\$38,862	\$453,557	\$1,810,587	\$19.49
2022	93,570	\$969,237	\$38,931	\$310,000	\$38,862	\$453,557	\$1,810,587	\$19.35
2023	94,590	\$969,237	\$41,785	\$636,406	\$79,564	\$888,040	\$2,615,032	\$27.65
2024	95,565	\$969,237	\$41,785	\$636,406	\$79,564	\$888,040	\$2,615,032	\$27.36
2025	96,616 ⁵	\$969,237	\$45,725	\$636,406	\$79,564	\$888,040	\$2,618,972	\$27.11
2026	97,679 ⁶	\$969,237	\$45,725	\$636,406	\$79,564	\$888,040	\$2,618,972	\$26.81

³ https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2022/july-5-2022/3b_study-session.pdf

⁴ State House Bill 1406 dollars were allocated by the City Manager to fund human services programs administering rent assistance for the last two funding cycles to support those experiencing housing instability during the pandemic. 1406 dollars will be reallocated to support affordable housing preservation and development through A Regional Coalition of Housing (ARCH) beginning in 2025. For the 2025-2026 cycle, the \$253,726 per year will be sourced using general fund revenues.

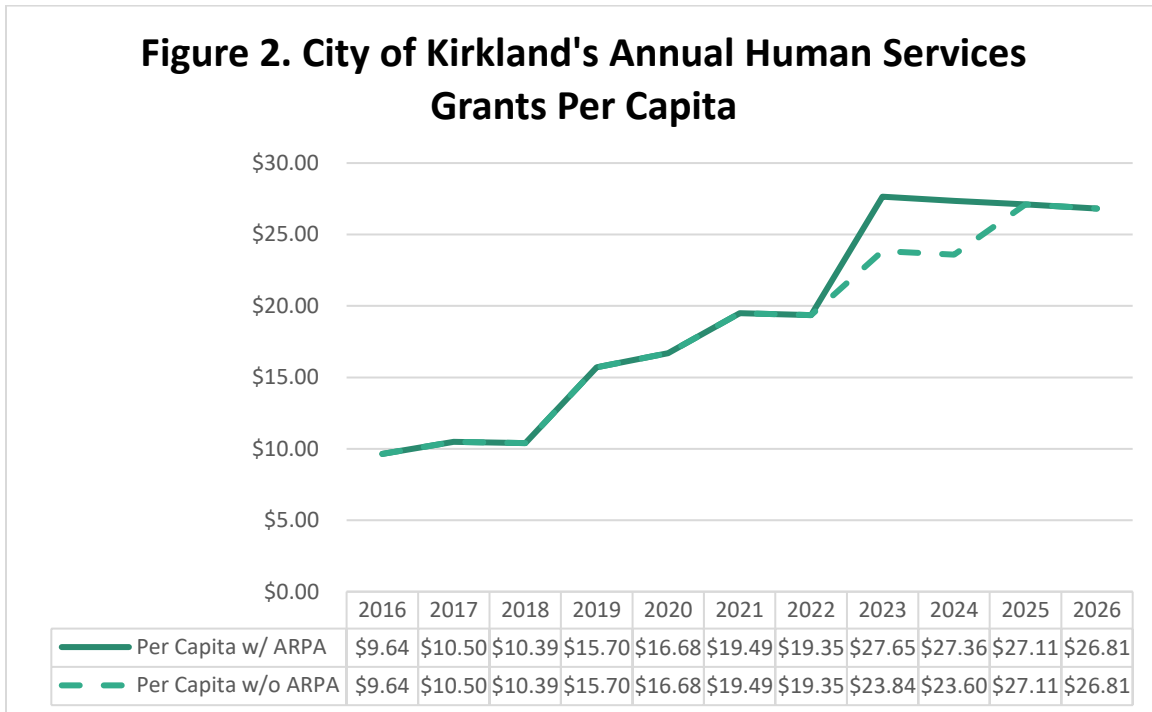
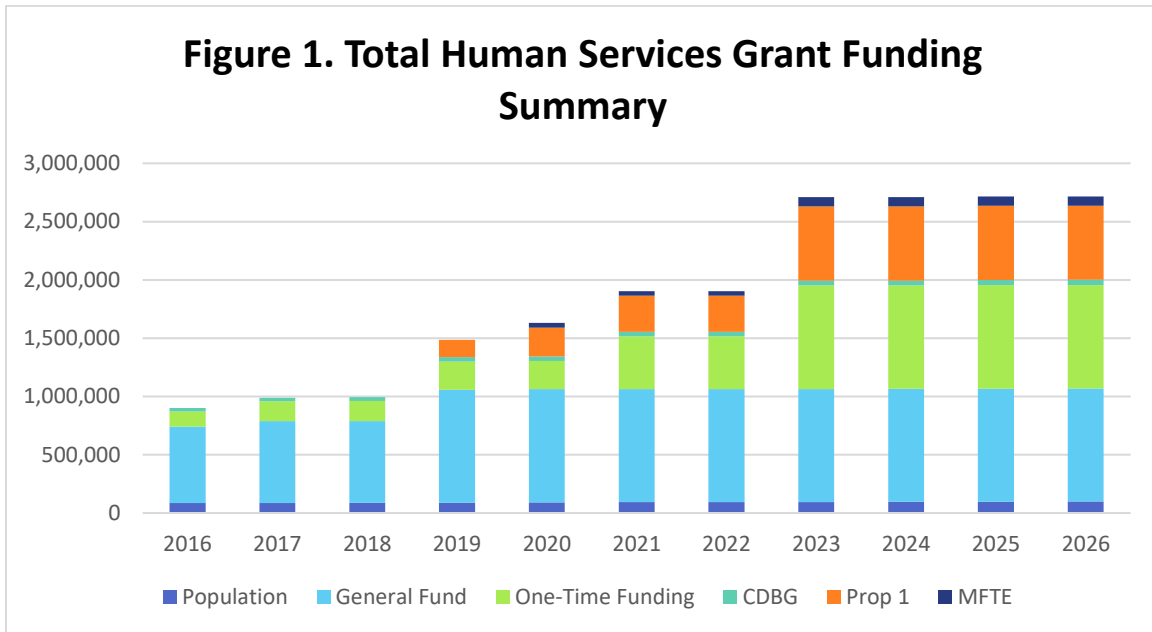
⁵ 2025 estimate based on King County estimated rate of growth from the Washington Office of Financial Management.

⁶ 2026 estimate based on King County estimated rate of growth from the Washington Office of Financial Management.

Table 2. 2025-2026 BASE BUDGET

General Funds	\$969,237
Prop 1	\$636,406
CDBG	\$45,725
MFTE	\$79,564
Total	\$1,730,932

Kirkland’s total funding amount for human services grants has increased annually with population growth and need, as shown in Figure 1. Total Human Services Grant Funding Summary and Figure 2. City of Kirkland’s Annual Human Services Grants Per Capita.



Comparison Snapshot: Neighboring Cities Human Services Investment

Table 3. Human Services Investment Summary by Jurisdiction provides a comparison of Kirkland and neighboring cities funding allocations for human services grants by total dollars invested and on a per capita basis for 2025-2026. Due to the severity of need, many jurisdictions are proposing additional one-time funding to support base budget investments for the 2025-26 cycle. The one-time funding request process differs by jurisdiction. The numbers included in the additional one-time funds' column are recommended for consideration as part of the budget process, the final number is not approved until the budget is adopted by each city.

Table 3. Human Services Investment Summary by Jurisdiction Per Year

City	Estimated 2025 Population	Annual Human Services Base Budget	Per Capita Base Budget	Additional One-Time Funds Requested ⁷	Total Recommended Grant Funds ⁸	Total Recommended Per Capita
Bellevue ⁹	155,000	\$10,793,738	\$69.64	\$0	\$10,793,738	\$69.64
Issaquah ¹⁰	42,434	\$612,618	\$14.44	\$ 130,000	\$742,618	\$17.50
Kenmore	24,350	\$194,800	\$8.00	\$ 244,064	TBD	TBD
Kirkland	96,616	\$1,730,932	\$17.91	\$1,500,020	\$3,230,952	\$33.44
Redmond ¹¹	77,490	\$1,749,808	\$22.58	\$ 500,000	\$2,249,808	\$29.03
Sammamish	66,586	\$682,736	\$10.25	\$ 85,000	\$767,736	\$11.53
Shoreline	61,910	\$879,564	\$14.21	\$0	\$879,564	\$14.21

DISCUSSION/ANALYSIS:

Current Human Services Landscape

Community Needs Assessment

The Community Needs Assessment released by Hopelink in June 2022 identifies four overarching themes of program and service needs on the Eastside.¹² The needs all stem from having insufficient financial resources to meet one’s needs in North and East King County. The themes are interrelated, and intersect with race, ethnicity, nativity, and personal history to shape the experience of poverty in the region. While the assessment uses the latest available data and reports, some data is based on pre-COVID findings and therefore is already outdated in assessing a hyper-current snapshot of needs. The themes are as follows:

1. Community members are challenged to meet their basic needs.

⁷ The additional one-time supplementary fund request process differs by jurisdiction. The numbers are proposed during the budget process. Additional one-time funds are not guaranteed until a city’s budget is approved.

⁸ Total recommended per year is an estimate based on current recommendations. Amounts are subject to change until City Council approves and adopts the 2025-2026 budget for each city.

⁹ Bellevue data is for 2023-2024 city funded contracts. This includes all city dollars used in human services contracts. It does not include CDBG or one-time pandemic funds.

¹⁰ Issaquah calculates the Annual Human Services Grant Funds using the following formula: Current base budget (\$556,720) + Population Growth (2.25%)/Per Capita Rate+ CPI (4%)

¹¹ Per capita does not include CDBG. CDBG is estimated at \$35,000. The \$500,000 in additional one-time funding includes \$400,000 in opiate settlement dollars.

¹² https://www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2022/september-6-2022/8h5_other-items-of-business.pdf

2. Lack of affordable housing is undermining household security and leading to displacement.
3. There are insufficient transit and transportation options for people with low incomes, particularly outside of urban centers.
4. There is persistent evidence of food insecurity and hunger.

Staff utilize the data and findings provided by the Needs Assessment to understand current trends and needs that impact the human services landscape.

Pandemic Impact

Additionally, the economic challenges caused by current inflation, the end of one-time federal funding available, staff burnout and fatigue in the nonprofit sector, and sustained long-term impacts COVID-19 has on low-income populations, intersected by systemic racism and the disproportionate impact the above referenced has on under-resourced and BIPOC communities, have created additional considerations for human services funding and are summarized below.

- The demand for behavioral health services that erupted during the pandemic has sustained at current demand levels, leaving providers unable to meet the need. Many workers in the behavioral health industry are leaving the sector because of burnout and pay inequity. Youth continue to experience disproportionate mental health challenges because of the pandemic. Substance use also continues to increase and the demand for treatment services far outpaces the capacity available.
- There continues to be a significant demand for eviction prevention services, including emergency financial assistance and legal assistance for residents to maintain their housing. The demand for rent assistance far exceeds the supply as households face significant rent increases and concerning rent burden percentages, leading to high demand for services to avoid eviction.
- Access to food and food that is culturally relevant and appropriate continues to be in high demand for Kirkland households.
- The population is changing and becoming more diverse, which requires new investments in how the City supports populations with specific needs beyond the current services infrastructure. Across the spectrum of need, there is higher demand for services that are culturally relevant and appropriate to support black and African American, Indigenous, Latinx, refugees, immigrants, and other BIPOC communities achieve stability and support in an equitable way.
- Agencies are requesting larger awards to sustain increased wages to retain workers. Workers are leaving the industry due to the high levels of stress and demand on providers to serve more clients with increasingly complex needs and more limited resources with one-time pandemic funding spent.

2025-2026 Requests for Funding

The number of grant applications and the total amount requested from community agencies significantly increased from the previous biennium, with most agencies seeking additional funding to cover increased costs, staff retention, and higher demand of services. The average increase in request from programs awarded funding in 2023-24 is 24% with requested amounts ranging over 1000% increase in total ask compared to the previous biennium.

For the 2025-26 cycle, the City received 128 grant applications from community agencies, totaling \$10,788,848 for the upcoming biennium (\$5,394,424 per year), reflecting similar trends outlined in the services landscape discussion around unmet need. Table 4. Comparison of Funds Requested to Funds Available summarizes the increase in requests and what has been funded.

Table 4. Comparison of Funds Requested to Funds Available Per Biennium

Budget Period	Total Funds Requested	Total Funds Available	Percentage of Requests Funded
2013-2014	\$1,794,000	\$1,403,516	78%
2015-2016	\$2,354,298	\$1,612,608	68%
2017-2018	\$2,848,644	\$1,810,192	64%
2019-2020	\$4,080,740	\$2,934,345	72%
2021-2022	\$4,741,854	\$3,621,174	76%
2023-2024	\$8,716,708	\$5,248,702	60%
2025-2026	\$10,788,848	\$5,237,944 ¹³	49%

Human Services Commission

The City formed a Human Services Advisory Committee in 1986 to provide funding recommendations to the City Council for the distribution of grants to agencies providing human services to Kirkland residents. The Committee’s role was limited to this purpose. In 2018, the City Council established a Human Services Commission (HSC) to align with Bellevue, Issaquah, Redmond, and Sammamish. The Commission meets monthly to understand current and emerging community needs, available community programs and the impact of such programs. The Commission is also available to provide additional policy guidance to Council and staff as needed.

Upon formation of the HSC, City Council requested the Commission proactively identify Kirkland needs and actively address those needs with recommendations to distribute grant funding. Correspondingly, the Commission recognized that certain areas of service needed to be prioritized regardless of the funding amount available. Each biennium, the Commission reviews the prior biennium’s priorities and makes funding adjustments based on current need. Subsequently, the strategy has led to proposed increases in the level of funding for grants by way of one-time supplemental funding requests to be considered by City Council.

Each cycle, the HSC decides priority areas regardless of the funding amount available. Each biennium, the Commission reviews the prior biennium priorities and adjusts based on current need. The priorities are summarized below:

- Homelessness and Affordable Housing
 - Includes emergency shelter and wrap-around services
 - Affordable housing supportive services
 - Emergency financial assistance
- Access to Basic Needs
 - Food assistance
 - Healthcare access
- Access to Critical Services
 - Domestic violence and sexual assault survivor support
 - Legal assistance
- Behavioral Health and Mental Health Services
 - Adults
 - Youth

¹³ Includes one-time opioid settlement dollars and general funds as proposed in the City Manager’s 2025-2026 budget.

- Substance Use Disorder supports and other treatment services
- Programs and services offered by organizations that are new, small, and/or Black, Indigenous and People of Color (BIPOC) led and serving; and programs that support BIPOC community members and/or those who identify as part of groups who have been historically marginalized.

For the 2025-26 biennium, the Commission adapted the framework in how they prepared grant recommendations to include the following considerations to address the current services landscape.

- Continue average goal-area investments to previous cycles.
- Fund fewer requests with larger awards.
- Maintain flat funding for programs currently receiving funding assuming strong performance and priority area.
- Invest a minimum 15% of base budget recommendations to community-based organizations serving BIPOC¹⁴ communities.
- No cost-of-living adjustments.
- Include set-aside funds to establish a Human Services reserve and RFP for agencies providing services to the Brazilian community.
- Fund City of Kirkland programs and positions.

While the Commission recognizes the need to support the full continuum of basic needs in the Kirkland community, the group has prioritized making greater investments in the most critical areas of concern first, before advocating for other service areas.

Human Services Division

The Human Services Element of the City's Comprehensive Plan supports the City to create a community where all residents have their physical, mental, economic, and social needs met, increasing the opportunity to enhance their quality of life in Kirkland. The City serves as planner, facilitator, coordinator, and funder to meet this goal. City staff in the Human Services Division are directed to do the following under the plan's guidance:

1. Regularly assess local human service needs and provide leadership in the development of services to address newly identified needs.
2. Promote community awareness of human service needs, the resources available to meet those needs and the gaps in services.
3. Provide funding for local nonprofit organizations serving the needs of Kirkland residents.
4. Maintain and support a Human Services Commission.
5. Commit Community Development Block Grant Funds (CDBG) to affordable housing and housing repairs for low- and moderate-income residents.
6. Participate and provide leadership in local and regional human service efforts.
7. Encourage the development of partnerships among the City, schools, human services providers, and other stakeholders, to address the needs of children and families within the school setting.
8. Ensure human service programs are available and financially accessible.
9. Prior to adoption, consider impacts to human services of any proposed legislation, including City codes and regulations.
10. Administer community donation programs.

¹⁴ Black, Indigenous, and People of Color.

Investments from the 2023-2024 biennium supported the expansion of the Human Services Division to include the Homeless Outreach Coordinator position to support residents experiencing homelessness. The position expanded the Division to include direct service supporting Kirkland's unhoused community, bolstering the City's ability to respond to those who are unhoused, first responders, Parks staff, the business community, and residents. The position also led to establishing the Homeless Assistance and Response Team (HART) and recently adopted Resolution R-5631, declaring the City's commitment to addressing homelessness.¹⁵

Kirkland Administration of New Human Services Contract Pool ILA

As mentioned prior, regional planning and response by cities is key to supporting strong human services infrastructure. An interlocal agreement was entered into by the cities of Bellevue, Issaquah, Kirkland, Mercer Island, Redmond, Sammamish, and Shoreline in 2015 to establish the human services pooled fund. Under the current interlocal agreement, the City of Bellevue serves as the lead agency with participating cities paying an annual administration fee. In June 2023, the City of Bellevue notified participating cities they would no longer serve as the lead city as of December 31, 2024.

The Human Services Managers representing eight cities analyzed numerous options and the most feasible and cost-effective option is for another city to assume the lead role to administer the pooled contracts program.¹⁶ The City of Kirkland has agreed to become the lead agency effective January 1, 2025, with current participating cities joining in addition to the City of Kenmore. Kirkland will assume this role and the City Manager is proposing a .5 FTE Office Specialist position for the Human Services Division. The other cities will pay Kirkland the administrative fee to cover the .25 FTE position required for the pooled contract program. Should the cities not continue with the pooled fund program, Kirkland would assume duties for the Kirkland contracts and scopes of work that were in the pooled program without benefit of fees paid by other cities, which in 2023-2024, was 45 contracts. The City Manager is recommending an additional .25 to the position to help with the overall increase in Kirkland grant contracts and growth of the division. This will be partially offset by elimination of the administration fee previously paid by City of Kirkland to City of Bellevue. Without these resources, the pooled contract program will be eliminated, resulting in additional administrative requirements for nonprofit organizations and City staff.

The above activities address priorities identified by the City Council, the Human Services Commission, the 2018 Enhanced Police and Community Safety Ballot Measure, the City's Comprehensive Plan, and Resolutions R-5240 and R-5434 to continued investment in human services to meet basic human needs, allowing residents to thrive in Kirkland and the Eastside.

The continued investment in both the human services grant program and the expanded capacity of human services recommended in the City Manager's 2025-2026 budget responds to the significant needs of Kirkland residents resulting from the services landscape and takes an important step forward to proactively address changing human services needs in the Kirkland community.

NEXT STEPS:

The background information about the human services landscape, summary of current investments, and how neighboring jurisdictions are responding to increased human services

¹⁵ <https://www.kirklandwa.gov/files/sharedassets/public/v/2/city-managers-office/pdfs/resolution-r-5631.pdf>

¹⁶ The eight cities represented were City of Bellevue, City of Issaquah, City of Kirkland, City of Kenmore, City of Mercer Island, City of Redmond, City of Sammamish, and City of Shoreline.

needs in the region, provides Council with information for consideration during the 2025-2026 City budget process. Staff can return to a future Council meeting to answer questions as part of budget discussions.

ATTACHMENTS:

Attachment 1 – City of Kirkland Human Services and Related Activities Funding

ATTACHMENT 1

City of Kirkland Human Services and Related Activities Funding

Funding for Human Services and related activities is incorporated into a operating and non-operating budgets. The following summary provides an overview of that funding for 2025-26.

Program/Funding Source	2023-24 Budget	2025-26 Budget
Human Services Program grants (including CDBG) ¹	3,957,771	3,957,347
Prop 1: Additional Grant Funding ²	312,354	312,354
Human Services Forum and Other Regional Programs	15,112	76,427
Prop 1: Women and Family Shelter Operations	200,000	200,000
Prop 1: Mental Health and Human Services Programs	441,211	441,211
Prop 1: Mental Health and Human Services Program Coordination	258,912	303,091
Human Services Coordination (including CDBG)	682,807	774,767
Homeless Outreach Coordination and Support	365,399	681,192
Sexual Assault Victim Advocate	-	200,000
WA HB 1406 (Affordable Housing Sales Tax): Rental Assistance ³	712,058	-
Senior Center Operations	647,019	764,513
Subtotal People in Need	7,592,643	7,710,902
A Regional Coalition for Housing (ARCH) ⁴	2,216,133	2,350,668
Housing Initiative	800,000	300,000
Subtotal Affordable Housing	3,016,133	2,650,668
Regional Crisis Response Program (City contribution) ⁵	2,308,708	1,728,747
Diversity, Equity, Inclusion and Belonging - Manager/Outreach	553,791	514,984
Community Court	145,567	167,763
Subtotal Inclusive & Welcoming Community	3,008,066	2,411,494
MIH-Funded Firefighter/EMT and Social Worker	733,808	934,608
Subtotal Fire & Emergency Medical Services	733,808	934,608
Domestic Violence Advocacy in the Police Department	1,021,011	1,197,311
Prop 1: Neighborhood Resource Officers (NROs) ⁶	539,518	635,350
Prop 1: 2.0 CROs in Kirkland Middle Schools (City-funded portion) ⁸	587,979	609,752
Subtotal Police Services	2,148,508	2,442,413
Low-Income Discounts for Utility and Garbage Services (directly billed only)	256,885	408,362
Kirkland Cares Low-Income Support Program Administration and Support	468,536	570,536
Subtotal Support fo Kirkland Cares Low-Income Support Program	725,421	978,898
King County Alcohol Treatment Programs	56,000	56,850
Community Youth Services Program/Teen Center ⁹	1,130,821	1,962,529
Rent Subsidy for Youth Eastside Services ¹⁰	78,000	78,000
Recreation Class Discounts	32,000	32,000
Subtotal Other	1,296,821	2,129,379
Total Human Services and Related Activities Funding	18,521,400	19,258,361

Total Spending Per Capita 2023-2024:	\$ 191.31
Total Spending Per Capita 2025-2026:	\$ 199.14
Spending Without Police Services Per Capita 2023-2024:	\$ 169.12
Spending Without Police Services Per Capita 2025-2026:	\$ 173.88

¹ The 2023-24 budget represents the revised budget and includes ARPA funding. The 2025-26 preliminary budget includes \$658,498 of opioid settlement funding to support grants. Additional Human Services funding approved by the Council after budget adoption is not included in 2025-26 figures.

² Additional Prop 1 budget of \$186,406 per year was authorized by Council in 2022; of this, \$60,458 will offset the Homeless Outreach Coordinator position.

³ In 2023-24, rental assistance was funded by the Affordable Housing Sales Tax (HB1460) at \$253,726 per year and a carryover of \$204,606 from 2022; for 2025-26, this funding has been moved to ARCH for affordable housing. The prior level of funding has been maintained by General Fund resources for Human Services grants.

⁴ The 2023-24 budget shows the base budget amount of \$562,567, \$323,566 Community Development Block Grants (CDBG) funding, and one-time service package funding of \$830,000 for ARCH Housing Trust Fund. The 2025-26 total includes \$747,130 in ARCH dues, \$350,200 from CDBG Block Grants sent from King County to ARCH, and one-time service package funding of \$1,253,338 for ARCH Housing Trust Fund.

⁵ The City provides funding to support the Regional Crisis Response Agency (RCR), a regional partnership with other cities.

⁶ The program includes budget for 1.63 FTE NROs

⁷ 2023-24 budget included 4.0 CRO positions; 2.0 CRO positions in 2025-26 budget

⁸ The City launched the Kirkland Cares Low-Income Program in 2024, expanding the low-income senior utility discount program to all low-income residents.

⁹ Includes the full expenses of running the Kirkland Teen Union Building.

¹⁰ Rent is waived completely; figure represents a conservative market rent equivalent.



CITY OF KIRKLAND

Fire Department · 123 Fifth Avenue, Kirkland, WA 98033
425.587.3650 (Fire) · www.kirklandwa.gov

MEMORANDUM

To: Kurt Triplett, City Manager

From: Joe Sanford, Fire Chief
 Bill Newbold, Deputy Fire Chief
 Ryan Woodey, Deputy Fire Chief
 Maggie Eid, Chief Administrative Officer
 Michael Olson, Director of Finance and Administration
 Kevin Pelstring, Interim Financial Planning Manager
 Veronica Hill, Interim Financial Planning Supervisor

Date: September 23, 2024

Subject: **FIRE OPERATIONS OVERTIME**

RECOMMENDATION:

Staff recommends that Council receives an update on Fire Operations Division overtime.

EXECUTIVE SUMMARY:

Fire Operations Division overtime, generated by staffing for fire suppression and emergency medical response service calls and preparedness activities, is reviewed on an ongoing basis and reported out to Council in monthly dashboards. Ninety-two percent (92%) of the International Association of Fire Fighters (IAFF) membership work in the Fire Operations division and this issue paper substantially focuses on Fire Operations. This issue paper reviews and assesses the primary drivers contributing to the generation of overtime. Further, staff analysis develops recommendations of specific strategies to provide for increased efficiencies in service delivery and cost containment. The issue paper will review prior recommendations and progress made and provide recommended next steps for continued progress in the next biennium. Change in actual overtime incurred shows a downward trend this biennium from a peak high in 2022 as shown in Table 1 below:

Table 1. Fire Operations Overtime Costs (Excludes Mobilizations)

	2020	2021	2022	2023	2024 Est.
Overtime	\$1,784,274	\$1,957,764	\$2,664,112	\$1,774,237	\$1,896,017
	% chg	10%	36%	-33%	7%

In 2023, the Department was authorized to hire 11 additional overhire positions in anticipation of attrition from retirements and to fill existing vacancies. The impact of this approval was a reduction in overtime. Staff continues to monitor this trend to understand whether this can be expected going forward.

BACKGROUND:

Overtime has always been a function of the provision of fire suppression and emergency medical services. The reasons are many and varied. What continues to be at question is whether or not there is an optimum level that would be expected, given minimum staffing, level of service, changes in calls for service, required training, and the operational business model.

Fire and EMS Levy Proposition 1: Fire Station Renovations/New Construction



Groundbreaking



Grand Opening

Fire Station 27 replacement was completed and began operations on May 11, 2024. It is the City's busiest fire station and houses the department's only ladder truck. Most importantly, it becomes the second fire station located east of I-405, providing increased capability of response, especially during a catastrophic event that could make crossing I-405 impassible.

The adopted 2023-2024 Budget included the approval to add new training facilities at Fire Station 24. These training facilities will include structures that simulate the types of residential structures, such as multiple-level, multi-family units, being built throughout the City. The ability to train in structures that mirror the communities served benefits the Department and enhances the capability to respond to incidents. Location within the city minimizes downtimes of personnel and the necessity for overtime backfill and supports responses by KFD personnel versus reliance on other jurisdictions that would experience longer travel times to calls.

Additional information on the changes to the level of service funded by Prop 1 can be found on the [City's Prop1 webpage](#).

Fire and EMS Levy Proposition 1: Staffing

The Fire and Emergency Medical Services Proposition 1 (Prop 1) ballot measure passed on November 3, 2020, authorizing a single permanent levy lid lift to fund both operating and capital ballot measure elements. The measure's operations element provided funds to hire 20 additional full-time equivalent (FTE) firefighters/emergency medical technicians (EMTs). During this biennium, the remaining 5 FTEs were hired, which completed the hiring of 20 additional FTE provided by the Prop. 1 ballot measure. In October 2023, the Department increased the minimum staffing by one position from 23 to 24.

Fire Operations Structure

The Fire Operations Division is now staffed at a total of 114 FTE and operates using three shifts (A/B/C). Each operations shift is 24 hours, beginning and ending at 7:00 a.m. Two 24-hour shifts are worked consecutively to produce a 48-hour work period, followed by four consecutive days off-duty; this cycle then repeats. An example two-week period from June 13th to June 26th is shown in table 2 below. Shift A works from 7:00 am on Sunday the 16th until 7:00 am on Tuesday the 17th, at which point shift B takes over, and so on.

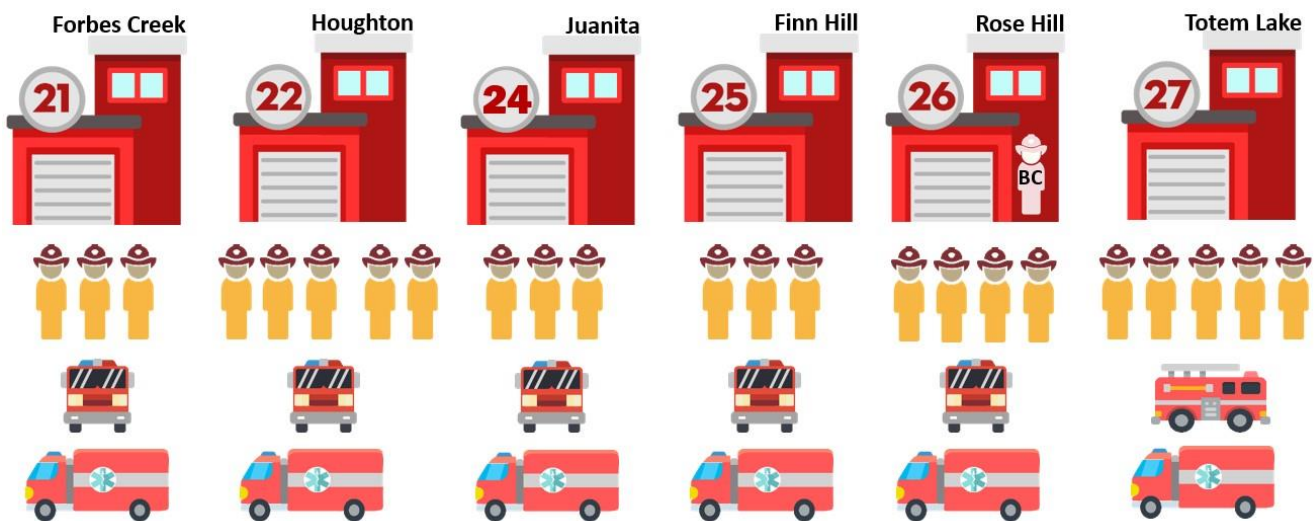
Table 2. Two-Week Period

JUNE						
S	M	T	W	Th	F	S
16	17	18	19	20	21	22
23	24	25	26	27	28	29

A SHIFT - B SHIFT - C SHIFT

The Department is now at increased daily minimum operations staffing of 24 personnel (24x7x365). There are now 38 firefighters assigned to each shift. This increase is made up of three-person jump crews at Stations 21, 24, and 25, a four-person crew at Station 22, and five-person crews at Stations 26 and 27. Jump Crews operate one apparatus at a time, meaning the other apparatus is unavailable for response. Stations with a staffing level of five firefighters will have staffing for both an engine or ladder and an aid car. The Battalion Chief continues to operate from Station 26. This position supervises all fire stations and personnel on duty and is a stand-alone supervisory/command response unit. The operations staffing model implemented in October 2023 is shown in the table below:

Table 3. Operations Staffing Model



DISCUSSION/ANALYSIS:

Leave and Other Impacts on Overtime

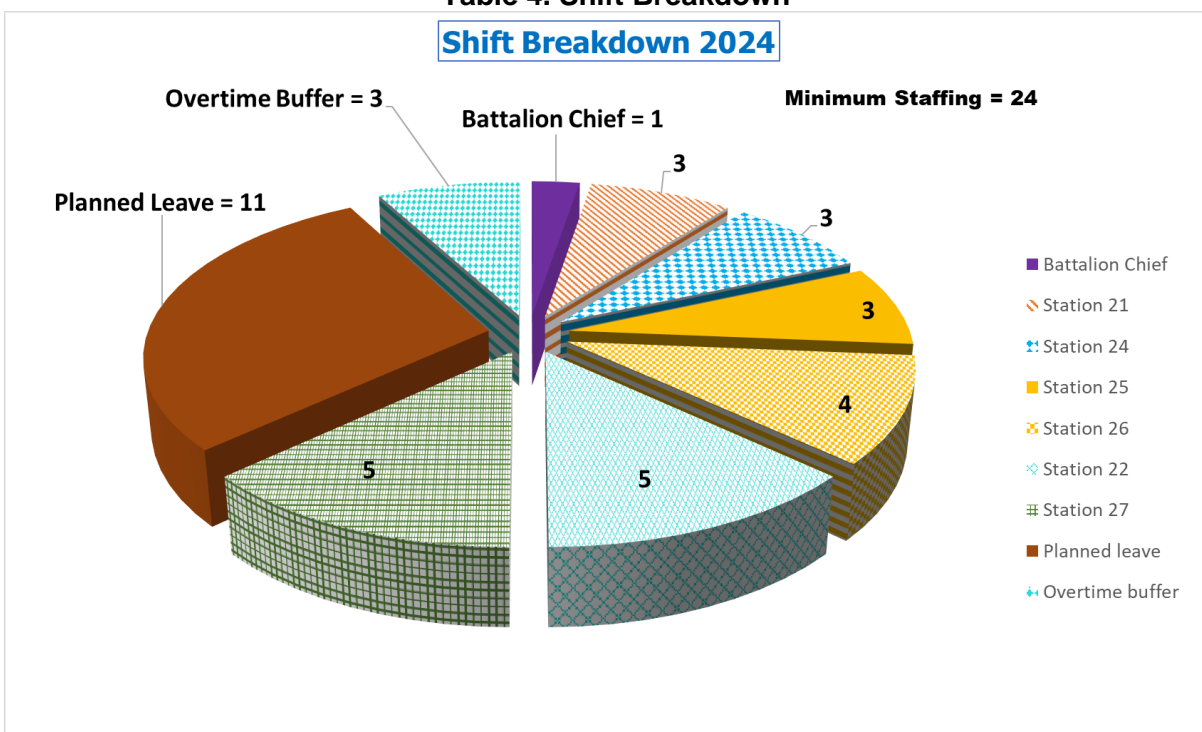
The requirement for minimum staffing in fire departments creates the possibility of overtime, when considering the ratio of total staffing, allowable leave, required training, and minimum staffing. The Department uses the term “slots” in reference to its operational business model of 24/7 coverage across six fire stations. This includes minimum staffing and accounts for several leave types. As Table 3 above indicates the number of on-shift slots at each station, and additional slots are needed for leave and training coverage which results in more than the minimum staffing on shift. For example, as there must always be 24 personnel on shift, inclusive of company officers (those in charge at each station), and a Battalion Chief, each personnel absence brings the total number of staff available closer to the daily minimum requirement. There are a wide variety of work absences, which are broadly broken down (by department policy and the labor contract) into two categories:

1. **Planned Leave** – vacation, holiday, and ‘Kelly Days’¹
2. **Other Leave & Vacancies** –
 - a. **Overtime-causing leave** -including sick leave, Family Medical Leave Act (FMLA), Paid Family Medical Leave (PFML), on or off duty injury, light duty, training backfill, and other leaves which are not part of the bidding process
 - b. **Vacancies** – unfilled positions
 - c. **Emergency Response Mobilizations**

Table 4 below, shows the distribution of slots by station to meet minimum staffing and the additional slots also scheduled on-shift to accommodate leave coverage. These slots, also known as “floater” slots, will work at the station in need of coverage. This helps ensure that firefighters can take planned leave contractually provided for during the year. The “Overtime Buffer” slots are intended to help with coverage of unplanned leaves that often cause overtime.

¹ Kelly Days are common in fire departments. This leave type provides for additional time off to ensure a shift structure remains compliant with the Fair Labor Standards Act (FLSA) guidelines governing overtime. In the case of Kirkland, each firefighter receives two Kelly shifts off after every six scheduled sets (48-hr set). This makes work hours no more than 48 hours per week on an average annual basis.

Table 4. Shift Breakdown



1. Planned Leaves

Planned Leave is best described as those leaves, established by contract, that fire personnel determined during an annual bidding process that is built into the work schedule. Given the current operational business model, based on a fully staffed shift of 38, 11 of the 14 coverage slots are allotted as planned leave. These are split between Kelly Days, vacation days, and holidays. Personnel bid for Kelly Days annually, with a maximum of 6 personnel away on Kelly leave each day. Once Kelly Days have been issued there is a process of vacation and holiday bidding. Following this bid either all 11 slots are taken on a certain day, or the remainder are available for ‘routine’ vacation, which can be used as needed any time there is a spare planned leave slot.

Kelly Days fall on the same two days throughout the year for each individual. For example, if a firefighter bids and receives Saturday and Sunday, they would be off each time their shift rotation would have them working Saturday and Sunday (shift A on the June 19/20 in the example shown above). As there are a maximum of 6 slots per day, this gives 42 slots per week. Historically, all slots tend to be taken around the weekend, with fewer in midweek. Because Kelly shifts are the same two days throughout the year, there is no seasonal peak.

The second planned leave is vacation, which does have a clear seasonal trend. The lowest amounts are taken in winter and early spring, with peaks in July and December. Vacation days are also based on a bidding process completed at the start of the year, and the maximum number of slots available each day is 5. After the bidding process is complete, personnel can use their vacation time for any shift which has available slots.

The final type of planned leave is holiday leave. Because fire stations must be staffed each day of the year, personnel are required to work their regular shift regardless of whether that day falls on

a holiday. In recognition of this, personnel are given 130 hours per year in lieu of having holidays off, which can either be used or cashed out. Holiday leave can be taken when there is an available planned leave slot or as part of the regular bidding process.

Table 5. Average Number of Staff on Planned Leave

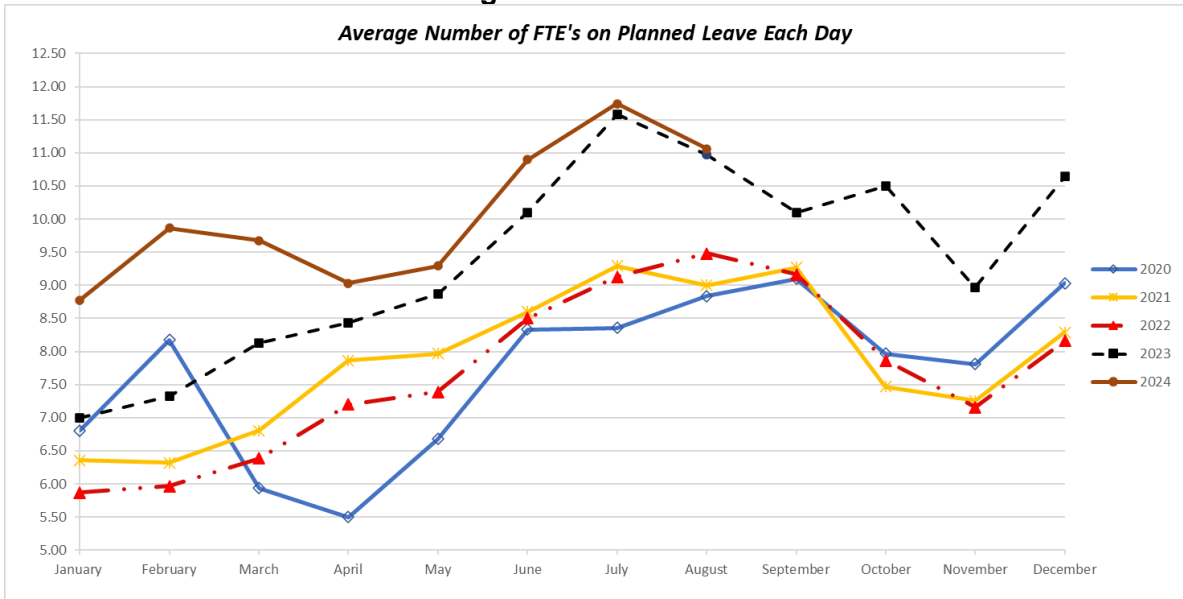


Table 5 above shows the average number of personnel on planned leave, including Kelly Days, vacation and holiday leave, in each month for the period of January 1, 2020 – August 31, 2024. The seasonal trend of usage in the summer months is consistently demonstrated by the chart. Since 2020, there is a steady growth in the daily average, an indication of a return to pre-pandemic levels. Current Department practice operates under the assumption that all planned leave slots can be filled without causing overtime and without falling below the daily minimum staffing. While this is true, the increase in planned leaves during more desirable seasons (e.g., summer, December) puts pressure on the overtime buffer, potentially resulting in an increase in the amount of overtime in these months. Strategies to help smooth out the seasonal trend in leave, such as limiting the number of slots available during the peak times could help reduce overtime.

2. Other Leave & Vacancies

Under the current practice, if the maximum allowable number of personnel are on planned leave, there are additional slots available above minimum staffing. These slots constitute the “overtime buffer” to protect the City from incurring overtime costs every time there is a vacancy or use of any “overtime-causing leave.” In recent years this overtime buffer was used in a few major ways:

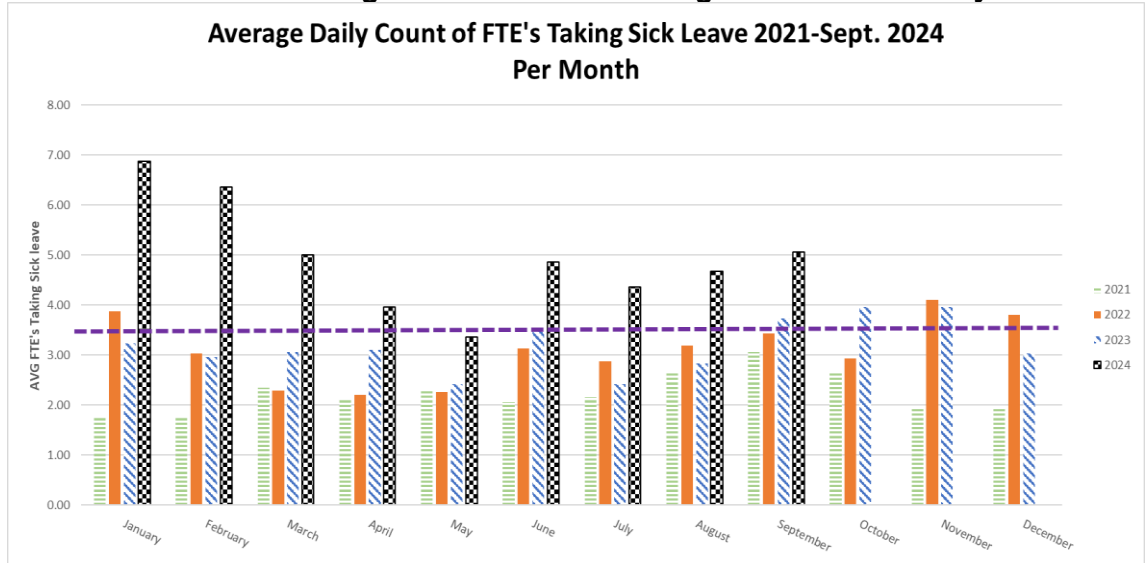
a) Overtime-Causing Leave

Per Department practice and policy, planned leaves described above are separated from ‘overtime-causing leave’, which is essentially any leave that is not part of a bidding process.² The most significant of these categories is sick leave. However, this also includes a range of other leaves such as light duty, on-duty injury, administrative, well child/FMLA, PFML, bereavement, and emergency leave.

² This is defined in Department policy 3.001

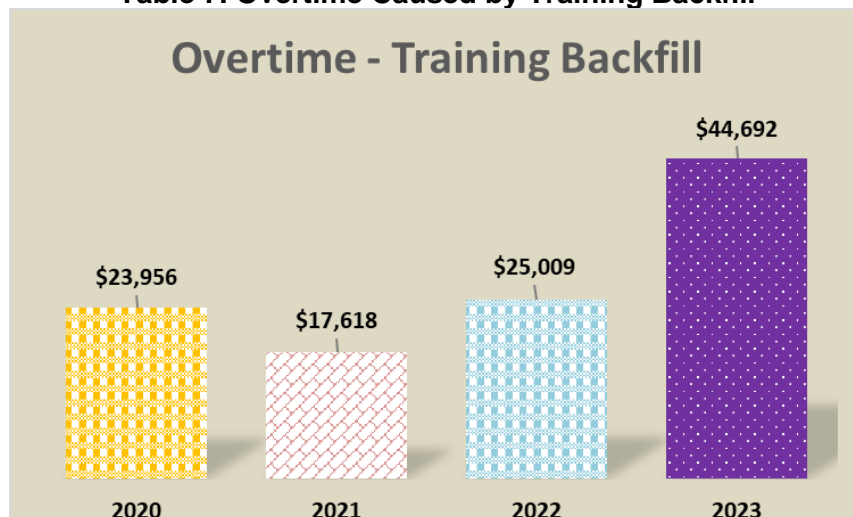
The bar graph below depicts the average number of personnel taking sick leave per day from 2021 through September 2024. The dotted line across the chart shows the 'overtime buffer', shown at three and one-half to reflect the change from four to the current total of three, thus each time the bar is above that line the average number of people on sick leave triggers a need for overtime if all planned leave slots were taken.

Table 6. Average Number of Staff Using Sick Leave Per Day



Training backfill falls under overtime causing leave as it isn't always known who will attend training on what days, who will be instructing on which days, or even if backfill will be needed regardless if the training was scheduled or not. Training opportunities, conferences, education classes, etc. may come up without preplanned notice, such as same-day cancellations of pre-registered attendees; these in turn may or may not cause OT due to attendance or backfill, if approved. In the last four years, the cost of Overtime caused by Training Backfill has trended upward with 2023 being the highest due in part to elevated hiring as shown in table below.

Table 7. Overtime Caused by Training Backfill

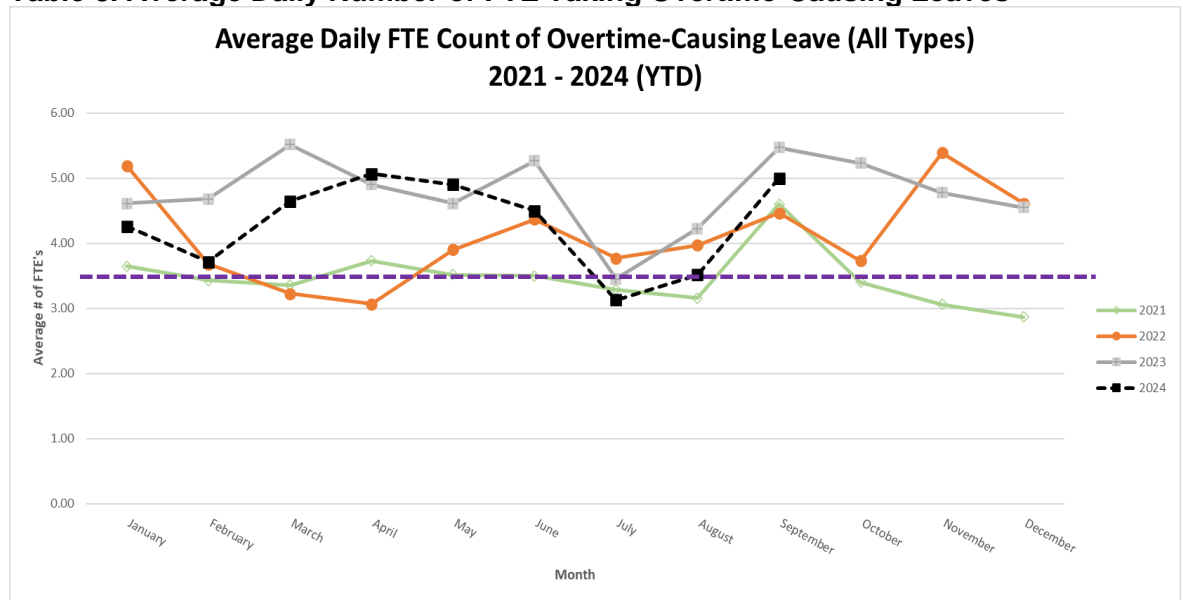


The joining of the Regional Training Consortium may help reduce needed overtime through increased opportunities to guaranteed slots for training and the ability for more pre-planned attendance that can be covered by the Overtime Buffer slots.

The previous issue paper on fire overtime also highlighted the issue of a relatively high average sick leave usage and suggested a long-term wellness strategy, working with employees to reduce sick leave usage. This option could still be explored as the Department moves forward with staffing and other planning.

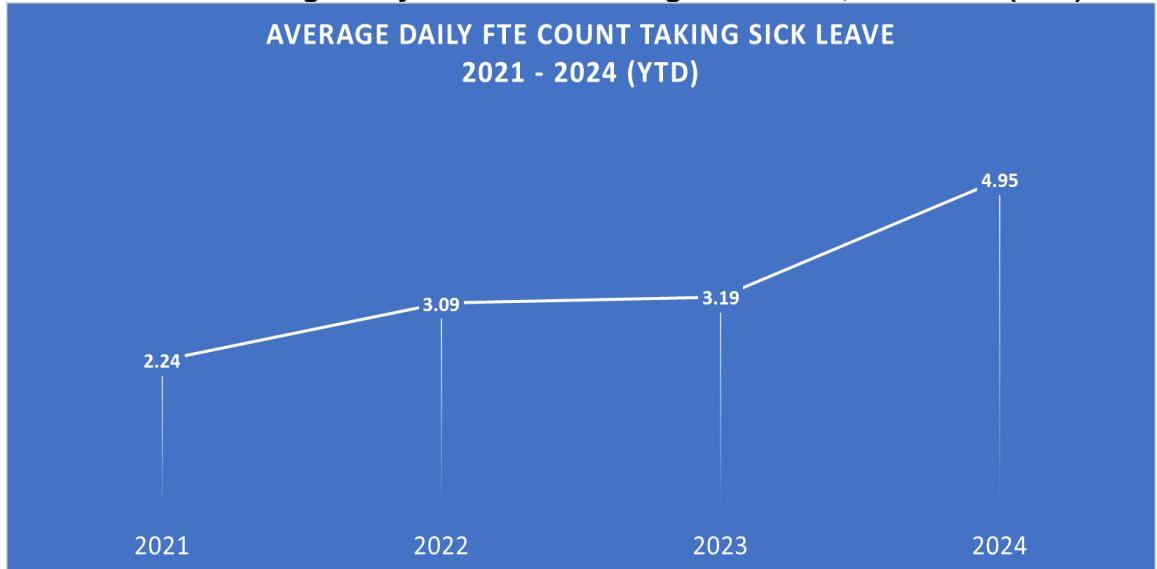
Below is a table showing the average daily number of FTE taking overtime-causing leaves by month from 2021 through 2024 year-to-date (YTD). The buffer represents 10% of total staffing per day. Overtime-causing leave consists of any unplanned leave. In addition to sick leave, unplanned leave consists of administrative leave, bereavement, emergency leave, light duty, military leave (paid/unpaid), training backfill, and all on duty leave. Since 2021, the average daily usage of leaves causing overtime have exceeded the established overtime buffer.

Table 8. Average Daily Number of FTE Taking Overtime-Causing Leaves



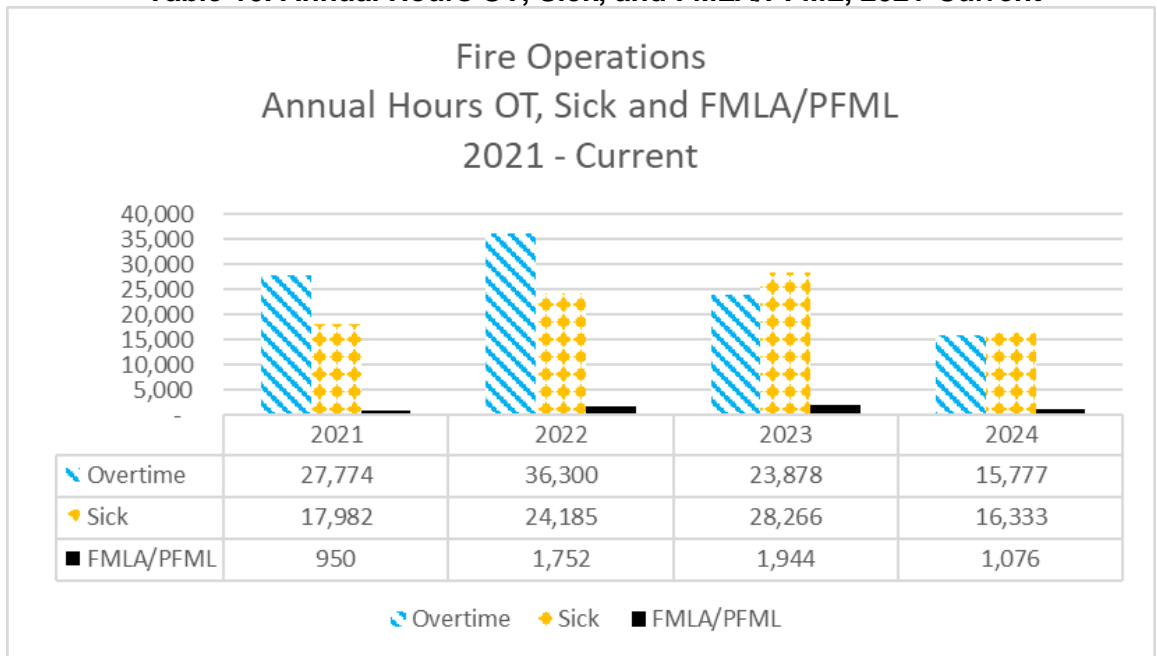
The rate of growth of the average number of FTE taking sick leave each day has continued to grow since 2021, which saw a daily average of 2.24 and in 2024 the current average YTD is 4.95. This represents an increase of 121% as shown in the table below.

Table 9. Average Daily FTW Count Taking Sick Leave, 2021-2024 (YTD)



The relationship between use of unplanned leaves and the earning of overtime is viewed as a primary cause and effect pattern. Since 2021, the pattern of each suggests that while sick leave is a primary driver, other reasons must also be considered. In the table below, the ratio of sick to overtime has been less than 1:1 in 2021, 2022, and 2023. Worth noting, 2024 YTD is the closest to a 1:1 relationship suggesting a change in the previous years' trends.

Table 10. Annual Hours OT, Sick, and FMLA/PFML, 2021-Current



*2024 through September, 2024

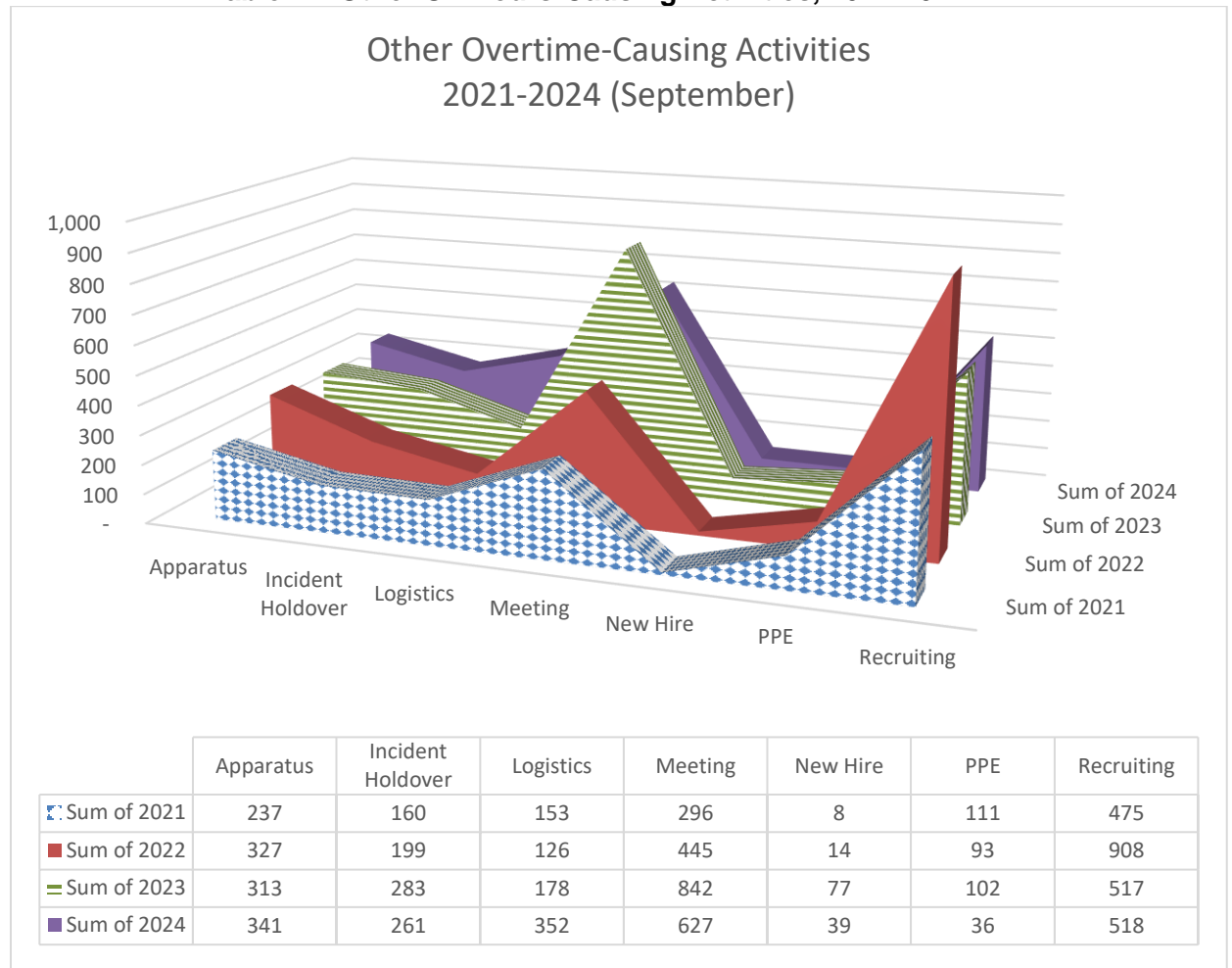
There are other factors that generate the need for overtime. In addition to response services, personnel perform activities that are in support of the division being well staffed,

prepared, and capable of providing quality services. In a review of timekeeping data to determine the reasons for overtime, staff identified several activities completed while personnel were in overtime status. In addition to leaves, this review showed the following top reasons for overtime:

- Apparatus inspections and driving rigs to repair shop;
- Incident Holdover (extension of on-shift time);
- Logistic and other project activities;
- Meetings;
- New hire onboarding;
- PPE inspections, preparation, and repairs; and
- Recruiting.

As the table below shows, over the last four years, these activities generated a total of 8,032 hours of overtime at an average annual cost of \$162,648, roughly 8% of all overtime generated in the Fire Operations division.

Table 11. Other OT Hours-Causing Activities, 2021-2024



b) Vacancies

Experience has shown that most vacancies are the result of retirements, which, due to state retirement rules, generally happen between January and June. These vacancies can last for months as firefighters have to be hired and go through a six-month academy, which happens twice per year, before they can be assigned to on-shift work. There is an approximate ten-month period between interviewing for a vacancy and having a trained firefighter coming out of the academy to fill that vacancy. In addition, the Department often provides instructors to the academy. These instructors may be taken from line positions, which also impact the overtime buffer.

In the last year, the Department was authorized to add 11 additional overhire positions, above its authorized three overhire positions, which ultimately helped to shorten the vacancy gap of anticipated separations. The Department was also successful in securing additional academy placements in support of minimizing the vacancy gap. Twelve slots were made available to the Department in the January/February 2023 fire academy; seven successfully completed the academy and new-hire probation, and remain employed.

As mentioned above, each additional vacancy likely requires a greater percentage of shifts to be covered by overtime. One option for overtime management is to recognize when overtime is less expensive than hiring a new staff member. Based on modeling that calculates average overtime cost and the ongoing salary and benefit cost of a firefighter, it is as economical for the City to staff with overtime if fewer than 78% of total hours needed require coverage as overtime. This represents a 1% change upward from the previous issue paper which showed a rate of 77% of total hours. During the 2023-2024 Biennium, the average percent of hours required as overtime was 10.5% down from the previous report period average of 17.5%. Table 12 below shows the monthly cost differential between a firefighter on straight time and equivalent overtime cost.

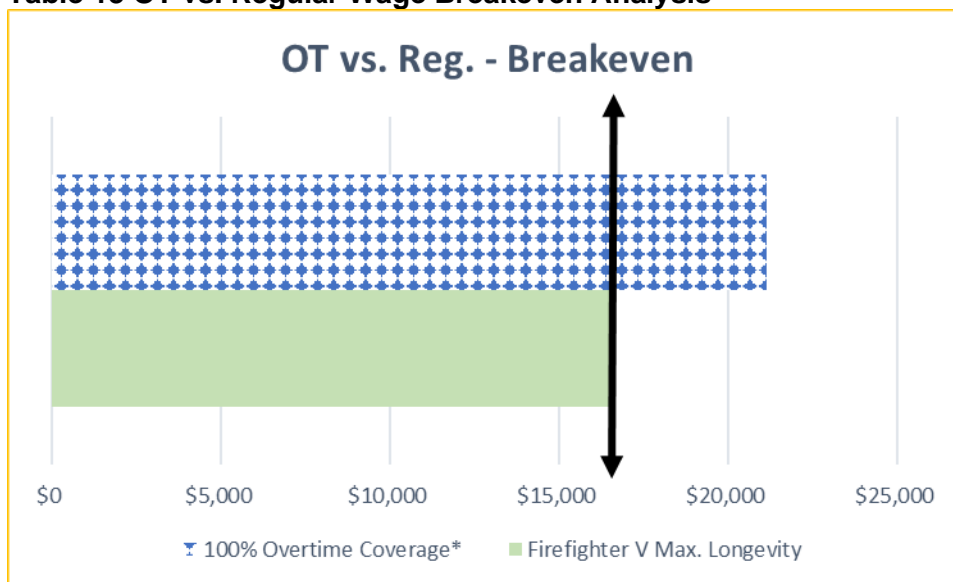
Table 12. Firefighter, Straight Time Costs Versus Overtime Costs

	Salary	Benefits	Total
Firefighter V Max. Longevity	\$11,008	\$5,465	\$16,473
100% Overtime Coverage*	\$18,618	\$2,541	\$21,159

*Average overtime Rate

Shown in another way, the table below presents the breakeven point at which there is cost neutrality between the monthly cost of overtime and the monthly cost of a regular ongoing position. This represents coverage of a maximum estimated 81 24 hour shifts or .78FTE. Additional coverage beyond that total would make hiring a full-time FTE the preferred option.

Table 13 OT vs. Regular Wage Breakeven Analysis



One way of measuring the impact of vacancies on overtime is to assume that most overtime caused by vacancies is offset by savings in regular salaries. Although the relationship isn't completely one for one, vacancies do create salary savings. The table below shows the relationship for the period of 2021 – 2024 (estimated). The overage for 2023 is reflective of the authorization to increase hiring in order to minimize the vacancy gap. In 2024, that authorization was beneficial as the estimated total is expected to be slightly under budget, providing some salary savings to offset estimated overtime.

Table 14. Salaries, Budget Versus Actuals, 2021-2024

Regular Salaries to Budget				
	Budget	Actuals	Difference	% of Bud.
2021	\$11,848,787	\$10,804,080	\$1,044,707	91%
2022	\$12,795,016	\$10,810,508	\$1,984,508	84%
2023	\$14,359,380	\$15,279,316	(\$919,936)	106%
2024	\$14,664,124	\$14,412,358	\$251,766	98%

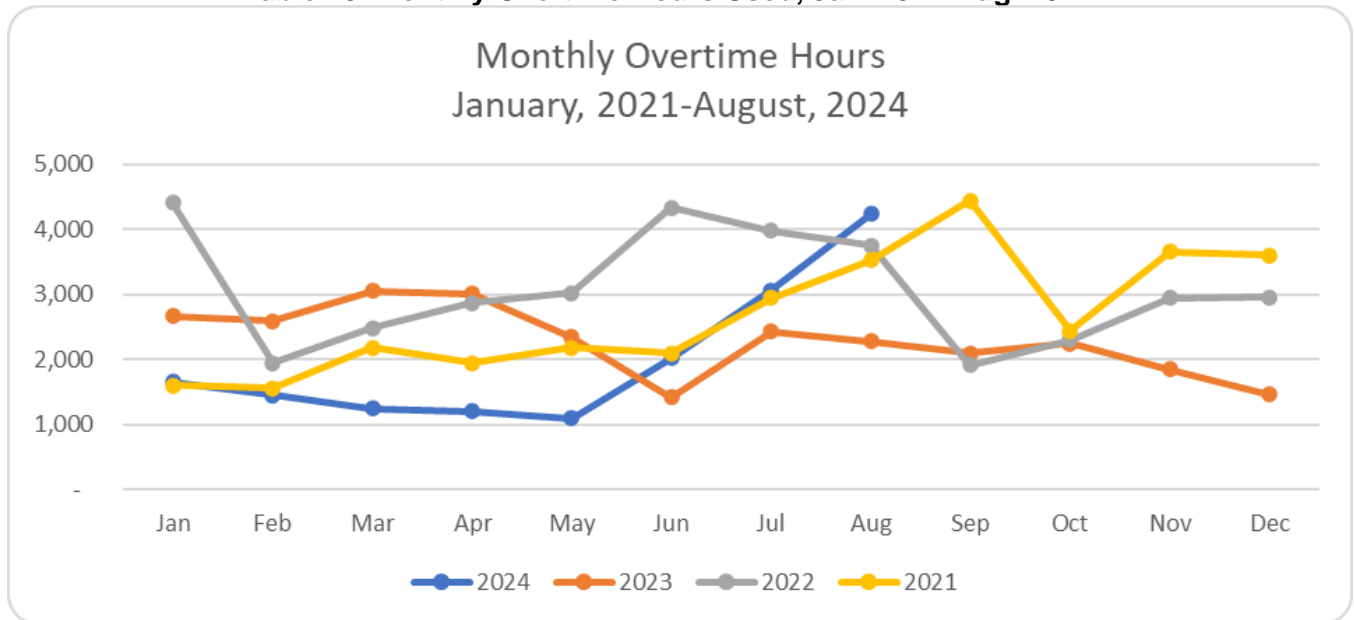
d) Emergency Response Deployments

Mobilizations to wildfires across the region typically cause significant overtime costs during the months of July, August, and September. However, the state reimburses for firefighters deployed, and may include personnel needed for backfilling. The rate is determined by the fully loaded pay rate for each personnel deployed and the personnel that works the backfill overtime.

Since the last review of Fire Operations overtime, results of staff analysis indicates positive impacts on overtime in the past year, which attributes to the authorization to increase hiring. This has allowed the Department to close the gap of time it takes to fill vacant positions and assign new staff to line shifts. As shown in the table below, the 2024 overtime rate was the lowest it has been in the last three years. The uptick during June, July, and August aligns with expected seasonal increases caused by planned leave and increases due to emergency response deployments in which the Department

participates. At full staffing, it demonstrates the Department’s ability to maintaining staffing levels that support the established minimum level of service while reducing overage against the overtime buffer. There is still opportunity for the Department to make greater impact on overtime as unplanned leaves have continued to increase. The primary challenge rests with identification of strategies to minimize sick leave. Also, as shown, other activities generating overtime are being reviewed and creative solutions and approaches are being considered to further reduce the impacts of overtime.

Table 15. Monthly Overtime Hours Used, Jan. 2021-Aug. 2024



Progress on Prior Recommendations

The progress made on recommendations from the prior biennium issue paper are summarized below:

1. Continue to leverage salary savings created by vacancies

Staff continue to perform budget monitoring that provides analysis of estimated costs of staffing to include benefit costs. Though faced with excess spend over budget in 2023 in both overtime and regular salaries, a small variance of underspend is projected for 2024 from separations.

2. Enhance Training Program

In January 2025, the Department will join the South King County Fire Training Consortium, which provides enhanced opportunities for new recruits and existing personnel to benefit from a large array of trainings and continuing education in order to maintain preparedness levels and sustained capacity to provide high-quality services to the whole community.

3. Lateral Hiring

Lateral hiring has only been approved by the union for only entry level laterals which essentially defeats the purpose of lateral hiring as it is meant to provide for trained and experienced personnel to be available for immediate online assignments. At this time, the department does not see a benefit to OT cost reduction through the current approval.

4. Proactive Hiring to Minimize Impacts of Attrition Due to Retirements

In 2023, the Department was successful in the effective implementation of temporary overhire positions in an effort to stay ahead of anticipated separations in order to meet minimum levels of service requirements. The direct impact of this authorization returned measurable results with a reduction in overtime hours not seen for over three years.

NEXT STEPS:

As we head into the next biennium, the following recommendations can be used to help manage the fiscal impacts of overtime costs:

1. Continue to leverage salary savings created by vacancies

Continuous budget monitoring of personnel costs should continue as the Department assesses its staffing patterns and continues with its recruitment efforts to ensure minimal staffing levels are maintained.

2. Explore strategies to reduce overtime-causing leave and other activities

The impacts of unplanned leaves and other activities performed by personnel, continue to be key factors in the generation of higher overtime costs. The Department should continue its in-depth review of non-leave activities and whether those activities can be adjusted to support their completion within a shift, when applicable. Full reduction of overtime is neither possible nor the goal as unplanned leaves aren't predictable. What can be achieved is a more manageable expectation of when overtime will be needed. It is important to note that any leave changes and any other adjustments to wages, benefits or working conditions such as shifts must be bargained with the IAFF.

3. Continue Proactive Hiring to Minimize Impacts of Attrition Due to Retirements

The Department should continue to use its three authorized overhire positions to continue its proactive approach to hiring. Staff will continue to analyze the fiscal impact of the use of these unbudgeted positions to provide a positive impact on the reduction in overtime generation. The reduction in actual overtime that allows the department to stay within its overtime budget or underspend the budget has the same impact of salary savings that help offset the cost of the overhires.

ATTACHMENTS:

None



MEMORANDUM

To: Kurt Triplett, City Manager
From: Diana Hart, Government Affairs Manager
Date: October 11, 2024
Subject: **2025-2026 Outside Agency and Tourism Budget Issue Paper**

RECOMMENDATION:

Staff recommends City Council reviews the Outside Agency and Tourism Budget issue paper for the 2025-2026 budget cycle.

EXECUTIVE SUMMARY:

The City Manager's Office allocates Outside Agency Funding based on the following categories:

- **Partner Agencies** – Organizations that operate an ongoing program or facility owned by the City or provide services on behalf of the City. This designation is given to the Kirkland Performance Center (KPC) and the Kirkland Downtown Association (KDA). \$90,000 of ongoing general fund support is recommended for the KDA and \$100,000 of one-time general fund support is recommended for the KPC.
- **Special Events** – Events that have significant public appeal and are substantially funded and staffed by the City. In 2014, the City Council adopted a policy identifying a category of "Community Events" that are significant community events primarily intended for Kirkland residents and that do not require an admission fee to attend. The City Council designated the 4th of July Celebration, Summer Concert Series, and the Winterfest events as Community Events. WM grants for these three annual events are matched with one-time general fund contributions, \$32,000 is recommended for the two externally produced events (Summer Concert Series and Winterfest).
- **Tourism Funding** – The Tourism Development Committee (TDC), acting as the Lodging Tax Advisory Committee (LTAC), develops a recommendation to the City Council for the Explore Kirkland Tourism Program Budget for tourism projects and activities and funding for outside agencies producing tourism events. The TDC's recommended 2025-2026 budget of \$694,704 includes the annual \$60,000 Explore Kirkland Tourism Program Grant.

BACKGROUND:

Partner Agencies in 2023 – 2024 Budget

The City allocated \$90,000 of ongoing general fund to the Kirkland Downtown Association and \$100,000 of one-time general fund to Kirkland Performance Center to support operations and services provided on behalf of the City.

Special Events in 2023 – 2024 Budget

In 2013–2014, WM, the City’s contracted waste hauler formerly known as Waste Management, agreed to contribute \$224,000 over seven years (\$32,000 per year) to help fund Community Events. The City renewed its contract with WM on July 1, 2022, which included \$40,000 annually in donations to community events. The City Council allocated the funds as follows in both 2023 and 2024:

- 4th of July Celebration: \$20,000
- Summer Concert Series: \$10,000
- Winterfest: \$10,000

Since 2015, the City Council has matched WM’s contributions to support those same events at the same allocation amount. The City matched WM’s contribution with one-time funding for 2023-2024 for a total of \$64,000 (\$32,000 per year).

The 4th of July Celebration organization transitioned from the Kirkland Downtown Association (KDA) to the City of Kirkland in 2023. Due to the KDA’s support in 2023 of the transition, the WM’s contribution for the 4th of July Celebration continued to be distributed to the KDA in 2023 and was retained by the City to support the event in 2024.

A portion of the City’s annual Partner Agency support to the Kirkland Downtown Association of \$45,000 also supports event organization and promotion.

Tourism Funding in 2023 – 2024 Budget

The Tourism Development Committee (TDC) recommended and the Council approved the utilization of the City’s lodging tax revenues to be expended on City’s tourism program which includes staff support of tourism activities and management of the TDC, the Explore Kirkland digital platform, and digital marketing in addition to an annual \$60,000 per year grant program to support tourism events, activities, and marketing that attracted visitors from more than 50 miles away.

RECOMMENDED FUNDING FOR 2025-2026

Partner Agency

The 2025-2026 recommendation is to continue to support the KDA and the KPC as partner agencies through the biennium through general fund contributions.

Agency	2023–2024 Approved	2025-2026 Recommended	Source
Kirkland Downtown Association (KDA)	\$90,000	\$90,000	Ongoing General Fund
Kirkland Performance Center (KPC)	\$100,000	\$100,000	One-Time General Fund

Special Events

WM’s contract continues to include \$40,000 annually in donations to community events over the term of the new 10.5-year contract which began in 2022. The City Manager is recommending that the City’s matching contribution maintain at historical levels for the two externally produced events, Summer Concert Series and Winterfest. The City’s match for the 4th of July event is now captured in the event’s funding through the Parks and Community Services Department service package. The funding recommendation by event and year from both the City and WM is as follows:

WM Community Event Sponsorships

Community Event	2025	2026	2025-2026	Source
4 th of July	\$20,000	\$20,000	\$40,000	WM
Summer Concert Series	\$10,000	\$10,000	\$20,000	WM
Winterfest	\$10,000	\$10,000	\$20,000	WM
Total	\$40,000	\$40,000	\$80,000	WM

City Match Contributions

Community Event	2025	2026	2025-2026	Source
4 th of July	-	-	-	One-Time General Fund <i>Parks and Community Services Service Package</i>
Summer Concert Series	\$8,000	\$8,000	\$16,000	One-Time General Fund
Winterfest	\$8,000	\$8,000	\$16,000	One-Time General Fund
Total	\$16,000	\$16,000	\$32,000	One-Time General Fund

2025-2026 Tourism Budget

The Explore Kirkland tourism program is funded by the Lodging Excise Tax of one percent (1%) collected from short-term accommodations as authorized by state statute RCW 67.28. The City Manager’s Office oversees the Explore Kirkland tourism promotion program with the primary goal of attracting visitors to Kirkland to sustain a vibrant and healthy economy. The City Manager’s Office also provides staff support to the Tourism Development Committee (TDC), which acts as the Lodging Tax Advisory Committee as required by statute, and whose role is to provide recommendations on the use of the lodging tax funds and help guide Explore Kirkland tourism program goals and priorities.

The TDC unanimously recommended the 2025-2026 budget and 2026 Explore Kirkland Grant awards at their October 10, 2024, meeting to the City Council for consideration. The City’s lodging tax revenues continue to exceed estimates and, combined with expense actuals coming in below budget, the City’s lodging tax reserves are now well exceeding the target identified in the City’s reserve policy. The TDC recommends maintenance of the core programs in the 2023-2024 budget with the inclusion of three new programs to the 2025-2026 budget that reflect a 12.4% increase in expenditures:

1. Woodinville Wine Country Annual Membership - \$12,000
 - Woodinville’s wine industry continues to be a strong driver of tourism to Kirkland as Kirkland offers many of the hotel, restaurant, shopping, and activity opportunities that align with the interests of wine tourists. Joining Woodinville Wine Country as a member will enable feature of Kirkland hotels, restaurants, shops, and activities in WWC’s promotions.
2. PacerAI Tourism Tracking and Reporting - \$16,000
 - The City Manager’s Office initiated a one-year pilot subscription with PlacerAI in the Economic Development budget for 2024 that enables the City to utilize anonymized location data to evaluate the service to improve data informed programming and decision making. Due to the success of the pilot and the strong alignment of the tool to advance the City’s tourism program, the subscription is recommended to be included in the tourism budget moving forward.
3. Event Marketing - \$20,000
 - The 2024 Event Marketing pilot was funded as a Explore Kirkland grant recipient and is recommended for relocation to the City’s tourism program in alignment with the other marketing programs. The pilot is still in early deployment but is expected to be

a helpful tool focused on providing digital marketing of the events occurring in Kirkland to promote Kirkland as a premier destination for tourism travel.

The TDC updates its criteria each year to evaluate applications for the annual Explore Kirkland Tourism Program Grant. For the 2025 grant program, the following criteria was utilized:

- **Tourist Attraction and Marketing—50 points**
The extent the event/program demonstrates the ability to attract visitors from 50 miles or more away and generate overnight stays.
- **Project Scope—20 points**
The extent the event/program improves the City's overall values of providing a positive and welcoming visitor experience to everyone including people of color (BIPOC – Black, Indigenous and People of Color), people of different cultures, people who do not speak English, LGBTQIA+ people, people of different economic status, and people with accessibility needs; and promoting the area's existing attractions including the Kirkland waterfront, Totem Lake, the Cross Kirkland Corridor and other compelling areas of Kirkland.
- **Economic Impact—10 points**
The extent the event/program will generate a positive economic impact by supporting small Kirkland-based businesses and increasing visitor expenditures in Kirkland.
- **Project Success and Sustainability—10 points**
The extent the applicant has a track record of implementing a successful event/program including contract and permit compliance. The ability of the event to secure additional funding sources beyond City of Kirkland tourism funding.
- **Community Collaboration—10 points**
The extent the applicant partners and collaborates with other Kirkland events and organizations and especially forms culturally diverse partnerships, in leveraging resources and marketing efforts.

Bonus Points:

- **New Event—15 points**
New event/programs that have been in existence for less than three years qualify for up to 15 bonus points.
- **Shoulder Season Impact—10 points**
Events that take place in the shoulder season (October–April) qualify for up to 10 bonus points.
- **Multiday Competitive Tournaments (athletic and otherwise)—10 points**
Events that offer multiple days (two or more) of competitive activities, whether athletic tournaments or competitive gaming events, qualify for up to 10 bonus points.

Based on the TDC's interviews of grant applicants and scored applications against the above criteria, the TDC recommends maintaining the annual \$60,000 Explore Kirkland in 2025 with the following organization and event awards:

Organization & Event	2025 Funding Request	2025 Funding Recommendation
Iranian Society of Washington State - Nowruz Celebration (3/23/25)	\$13,800	\$2,500
Little League Baseball Inc. - Junior League Softball World Series (7/28/25–8/2/25)	\$15,000	\$15,000
Cascade Stride - 12ks of Christmas (12/25/25)	\$3,000	\$1,000
Studio East - Summer Teen Musical (7/25/25-7/27/25 & 8/1/25-8/3/25)	\$5,000	\$1,000
Studio East - StoryBook in the Park (weekend in August 2025)	\$1,500	\$1,000
Kirkland Arts Center - Fringe Festival Development (9/12/25 – 9/14/25)	\$10,000	\$10,000
Bold Hat - Kirkland Uncorked (7/18/25-7/20/25)	\$22,000	\$19,500
Kirkland Arts Center - ARTful Summer (8/2/25)	\$5,000	\$2,500
Running Joyfully - Kirkland Downtown Road Mile (4/26/24)	\$5,000	\$2,500
Kirkland Downtown Association - Kirkland Waterfront Car Show (8/10/25)	\$18,000	\$5,000
	\$98,300	\$60,000

Summary of Recommended Funding

The following tables provide a summary of the recommended funding levels by type of funding. Partner Agencies and Special Events are funded in 2025 and 2026. Tourism funding will be updated upon the TDC’s final recommendation in October of 2024 and will include a base budget for 2025-2026 and grant award recommendations for 2025.

2025-2026 Funding Requests and Recommendations

Source: General Fund	2023–2024 Approved	2025–2026 Requested	2023–2024 Recommended
Partner Agency - Ongoing	\$90,000	\$90,000	\$90,000
Partner Agency - One-time	\$100,000	\$100,000	\$100,000
External Special Events (City Portion Only)	\$64,000	\$32,000	\$32,000
Subtotal General Fund	\$270,000	\$222,000	\$222,000

2025-2026 Funding Requests and Recommendations

Source: Lodging Tax	2023-2024 Approved	2025–2026 Requested	2025–2026 Recommended
Tourism Grant Funding	\$60,000/year	\$60,000 in 2025	\$60,000 in 2025
Total Tourism Budget (including Grant Funding)	\$618,523	\$694,704	\$694,704

If the City Council is interested in modifying the lodging tax funding recommendations, RCW 67.28.1816 requires that the City Council “may choose only recipients from the list of candidates and recommended amounts provided by the local lodging tax advisory committee” and must submit proposed change(s) to the TDC for review and comment at least 45 days before final action is taken.



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MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance and Administration
Andrea Peterman, Interim Financial Planning Supervisor

Date: October 2, 2024

Subject: **Healthcare Program Update – Healthy Kirkland Initiative**

RECOMMENDATION:

Staff recommends City Council reviews the Healthcare Program issue paper for the 2025-2026 budget as it provides the context and background for healthcare cost assumptions and drivers.

EXECUTIVE SUMMARY:

- Council is asked to review the Healthcare Program issue paper for the 2025-2026 budget for a summary of the program's history, its components, and healthcare cost assumptions and drivers.
- The City began self-insuring for healthcare in 2011 and launched the Healthy Kirkland Initiative in 2015 to improve outcomes in the face of continued healthcare cost growth.
- The early success of the Healthy Kirkland Initiative reduced health cost increases and health cash reserves grew at a higher than projected rate. Beginning in 2017, annual healthcare rates were set with the aim of spending down the health fund reserve balances which allowed the City to moderate healthcare rate increases.
- While the reserves decreased in some years, overall, the period from 2017 to 2022 saw annual rate increases outpacing claims expenses. This was in part due to the COVID-19 pandemic impacts, which resulted in a decrease of healthcare usage in 2021-2022.
- The 2023-2024 budget again set rates to draw down the reserves. However, actual experience in 2023 and 2024 has been impacted by higher inflation, increased healthcare usage and significant high-cost claims. As a result, the City has drawn down on its reserves faster than anticipated.
- The 2025-2026 budget sets higher rates more in line with current healthcare cost experiences, but still less than actuarial projections. Actual outcomes will be closely monitored, and changes may be implemented in the mid-biennial budget process and in future budgets as needed.
- The City Manager, HR and Finance are evaluating immediate changes to the Stop Loss program and alternatives to rare/expensive prescription drugs to identify cost savings.

BACKGROUND:

In 2011 the City of Kirkland began self-insuring for healthcare due to rising costs and reduced benefits provided by the City's previous healthcare plan. Despite this significant step, healthcare

costs continued to increase quickly and were a significant budget issue for the City. After three years of self-insurance, three factors converged to lead staff and Council to develop a new and more sustainable healthcare plan:

1. The City's claims growth averaged 15% per year between 2011 and 2013. Although the City was able to keep premium growth to just under 9% in the same period, this was an unsustainable trend.
2. Three years of aggregated claims data gave the City much better visibility into and understanding of its healthcare needs and experience, which made it possible to design a new program.
3. The "Cadillac Tax" on high-cost healthcare plans, brought in as part of the Affordable Care Act (ACA) was intended to take effect in 2018. Early estimates showed this could cost the City up to [\\$1.5 million per year](#).

Following significant staff, Council, and consultant time, in April 2015, the City of Kirkland implemented the Healthy Kirkland Initiative. The objectives of the program were to improve employee health while mitigating the rising cost of healthcare and to avoid liability under the Affordable Care Act "Cadillac Tax." The "Cadillac Tax" was repealed in December 2019 and did not go into effect. Nevertheless, the Healthy Kirkland Initiative has realized successes in improving employee health and managing growth in healthcare costs.

In December 2015, the City Council received a comprehensive briefing on the evolution of the City's program. Highlights from that report are summarized below, followed by an update on the program's impact on the budget since that time. The full 2015 briefing (170 pages including attachments) is available on the City's [website](#).

DISCUSSION/ANALYSIS:

THE HEALTHY KIRKLAND INITIATIVE

After assessment of a variety of options that placed different emphasis on the three goals described above the City opted for a "full systems approach" that included: (1) individual economic incentives to empower individuals to make more informed medical decisions and improve the likelihood of health savings; (2) increased market transparency so employees could be more informed in those decisions; and (3) unlimited primary care services, free to employees and qualified dependents, to promote proactive healthy behavior and ensure participants had ample opportunity to get the critical on-demand primary care necessary to help ensure healthier lives.

Each element of the Initiative had been implemented successfully somewhere in the United States. What differentiated the City's approach was not the implementation of each element separately as an isolated effort to improve care but implementing the elements simultaneously as interdependent parts of a full healthcare delivery system.

How Does the Healthy Kirkland Initiative Work?

High Deductible Health Plan

First, the City moved to a high deductible health plan. Establishing a high deductible framework created the necessary structure to incorporate real economic decision making to everyone

participating in the new plan. With a high deductible plan, participants are required to pay a much larger portion of their initial health costs, emphasizing the need to make informed decisions on nearly every element of care.

HRA VEBA

To offset the new financial exposure to employees, the City created an expansive Health Reimbursement Arrangement Voluntary Employee Benefits Association (HRA VEBA) benefit contribution, essentially matching annually the cost of the entire deductible for both individuals and families. Unlike traditional HRAs, HRA VEBAs are savings accounts that stay with employees and eligible dependents and the accumulated account balances roll over from year to year. With this approach, employees are given both a new economic exposure (the higher deductible) combined with a new financial incentive to save (the HRA VEBA contribution). To fully match the annual cost of the high deductible as part of their HRA VEBA contribution, however, most employees and their spouses/domestic partners must complete a wellness incentive program. These activities include visiting a health provider, meeting with a health coach, and receiving a biometric screening and health risk assessment. The new framework provided an incentive to engage in healthy behavior and make more judicious decisions regarding the utilization of care.

Employee Financial Exposure Limits		
	Employee Only	Family
Deductible	1,500	3,000
Out-of-Pocket Cost Limit	2,500	5,000
VEBA Contribution	1,200	2,400
Wellness Contribution	600	600
Total VEBA Contribution	1,800	3,000
Maximum Employee Exposure (Out-of-Pocket Limit less VEBA)	700	2,000

Vera Whole Health Near Site Primary Care Clinic

The final element of the full systems approach was the creation of a near-site primary care health center, free to employees and qualified dependents. The City chose Vera Whole Health Services as the operator of the health center for many reasons. The Kirkland facility is in the Totem Lake area, just a short drive from the Evergreen Hospital Emergency Room, and parking is free, and it is open to employees and their family members who are enrolled in the City’s health plans. The health center provides preventative and same day acute care (immunizations, check-ups, limited prescriptions, etc.) along with behavioral and lifestyle health coaching, all at no cost to the employee. Employees can schedule appointments for a variety of preventative and acute services, as well as wellness and nutritional consultations. Because Vera provides reciprocity among its clinics, Kirkland employees and qualified dependents can visit any Vera clinic for free. In addition to the Kirkland location, there are six other clinics in the region, including a new Tacoma location that opened in 2024. As more clinics are added, access for Kirkland employees and their families to high quality, free health care will increase.

The health center is a critical component of the entire system for several reasons. Because primary care is convenient and free to employees, employees and qualified dependents have a

powerful financial incentive to use the clinic to save their HRA VEBA balances and to be active in maintaining their health. Because the operation of the clinic is informed by an employee advisory group, the quality and availability of care is part of a participatory process that encourages employee engagement and oversight. Finally, because the Vera model involves unlimited free access to a health coach, the clinic may act as a catalyst for cultural change at the City that promotes more healthy proactive living as part of the employment experience.

Each element of the Healthy Kirkland Initiative taken alone would likely be an important improvement to an existing healthcare plan. Taken together and implemented as part of a comprehensive system, each element is enhanced for participants to improve health, increase savings, and enjoy a better quality of life.

PROGRAM CHANGES SINCE 2015

Initially, the City's AFSCME, PSEU, and Teamster bargaining units and Management and Confidential (MAC) staff joined the program in 2015, and subsequently the remaining Police bargaining units joined as well. Effective in 2017, the firefighter's union (IAFF) opted to participate in a plan outside the City's system sponsored by the LEOFF Trust PFP for which the City pays the premiums.

Initial results from the Healthy Kirkland Initiative were promising. The 2016 recommended contribution to the self-insurance fund for the program decreased 4.5% at a time that the national average for healthcare costs increased 6% and the high deductible plan of the Association of Washington Cities (AWC), a similar plan to Kirkland's, increased 9.1%. The 2015-2016 budget assumed zero percent (0%) growth in the health benefits fund due to higher than expected reserves from the early results of the program and in anticipation of the continued success of the Healthy Kirkland Plan.

The 2017-2018 budget assumed no increase to the contribution to the health benefits fund in 2017 and a 2% increase in 2018, still well below both the national average and AWC plan increases (AWC's HDHP premium increased 13.2% from 2017 to 2018). The premiums paid to LEOFF Trust in 2018 increased 13%. The 2017-2018 budget assumptions recognized that the reserve maintained in the health benefits fund was substantially above the state required minimum of 16 weeks of claims data. This balance was the result of several dynamics:

- The 16-week rolling average of claims was substantially lowered by diverting claims to the clinic.
- The amount set aside for claims was based on an actuarial analysis. In the early years of the program, claims performed better than the calculated actuarial result.
- A \$1 million contingency was added to the reserve in the beginning of the City's self-insurance program as a hedge against higher than expected claims growth, which proved to be unnecessary after the first year of self-insurance in 2011. In 2017, this amount was reallocated to help fund the replacement of the City's core financial and human resources system.

Starting in 2017, the City has set annual healthcare rates with the aim of spending down the reserve balances, which helped to smooth out rate increases. Premium increases during this period averaged 5.25% per year, in line with the national average.

For the 2021-2022 budget, the City used the actuarial assumption of 6.7% for annual growth to set budget targets, continuing the plan to bring rates in line with actuarially forecasted growth and to draw down reserves. However, the impact of the COVID-19 pandemic significantly altered the patterns of healthcare usage. Claims costs declined during the acute phase of the pandemic as participants deferred medical appointments, a reduction in accidents caused healthcare usage to fall, and inflation was low. Consequently, during the 2021 mid-biennial process, the 2022 rate increase was lowered to 2.35% based on the updated actuarial recommendation. The fund balance at the end of 2022 was \$6.65 million, close to \$5 million above the mandated 16-week minimum claims balance.

During the 2023-2024 budget process, staff once again laid out a plan to raise claims-related premiums in line with projected costs covered by those premiums while drawing down on reserves in future years. Because actual claims were lower than projected in 2021-2022, staff assumed the recommended zero percent (0%) growth in 2023, deferring the next rate increase to 4% in 2024. Rate increases of 4% were planned from 2025 to 2027 to draw down the reserve gradually to reach the target of \$2.3 million above the estimated 16-week maximum liability for 2027. Actual experience in 2023-2024 has again been different than actuarial projections, with higher inflation, increases in claims, and a rise in high claimants. As a result, the reserve balance is projected to drop \$1.82M in 2023-24.

A portion of the reserve is a mandated 16-week minimum claims balance. This amount is estimated conservatively during the budget process by using the highest 16-week average from the prior year. For the 2025-2026 budget, staff assumed 2023 as the baseline for the required 16-week claims reserve. As an additional check for conservative rate setting, staff analyzed the highest 16-week claims total from 2023-2024 and created a secondary informational target of 16-week maximum liability. The 2025-2026 rates maintain reserves above both the required and the assumed maximum 16-week claims levels.

Category	Actuals					Projected					
	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Starting Reserve Balance	5,772,934	5,476,450	5,896,379	6,170,290	6,649,214	6,406,308	4,829,127	4,434,157	3,881,451	3,612,747	3,672,117
Use/Addition to Reserves	(296,484)	419,929	273,911	478,924	(242,906)	(1,577,181)	(394,970)	(552,706)	(268,704)	59,370	435,688
Ending Reserve Balance	5,476,450	5,896,379	6,170,290	6,649,214	6,406,308	4,829,127	4,434,157	3,881,451	3,612,747	3,672,117	4,107,805
16-Week Requirement (Average)	1,477,168	1,465,453	1,443,715	1,323,782	1,721,341	1,943,400	2,215,476	2,437,024	2,680,726	2,948,799	3,243,679
16 Week Worst Case (Above Average)	277,890	635,013	270,130	356,354	406,244	463,118	527,954	580,750	638,825	702,707	772,978
16 Week Total Maximum Liability	1,755,058	2,100,466	1,713,845	1,680,136	2,089,477	2,406,518	2,743,430	3,017,774	3,319,551	3,651,506	4,016,657

As the reserve balance dropped significantly in 2023-2024, the most recent actuarial analysis indicates that a cumulative five-year increase of approximately 91% (approximately 18.2% per year) in the claims-related premium contribution might be necessary to bring the premiums in line with costs. Kirkland's actual claims experience in past years has been lower than actuarial projections have forecast, but that trend has not continued this biennium. Actual results in 2023 decreased the reserve by \$242,906 as medical claims grew 47.8%. This steep increase compared to 2022 was in part due to the relatively low claims in 2022. However, claims have remained high and are expected to end 2024 8.5% higher than 2023. The increased claims experienced by the City have been driven in large part by rising pharmaceutical costs and large claimants impacting a relatively small plan. The increase in claims will draw down the reserve an additional \$1.5 million in 2024. As mentioned above, this drawdown of the reserves was planned, but has happened much faster than projected.

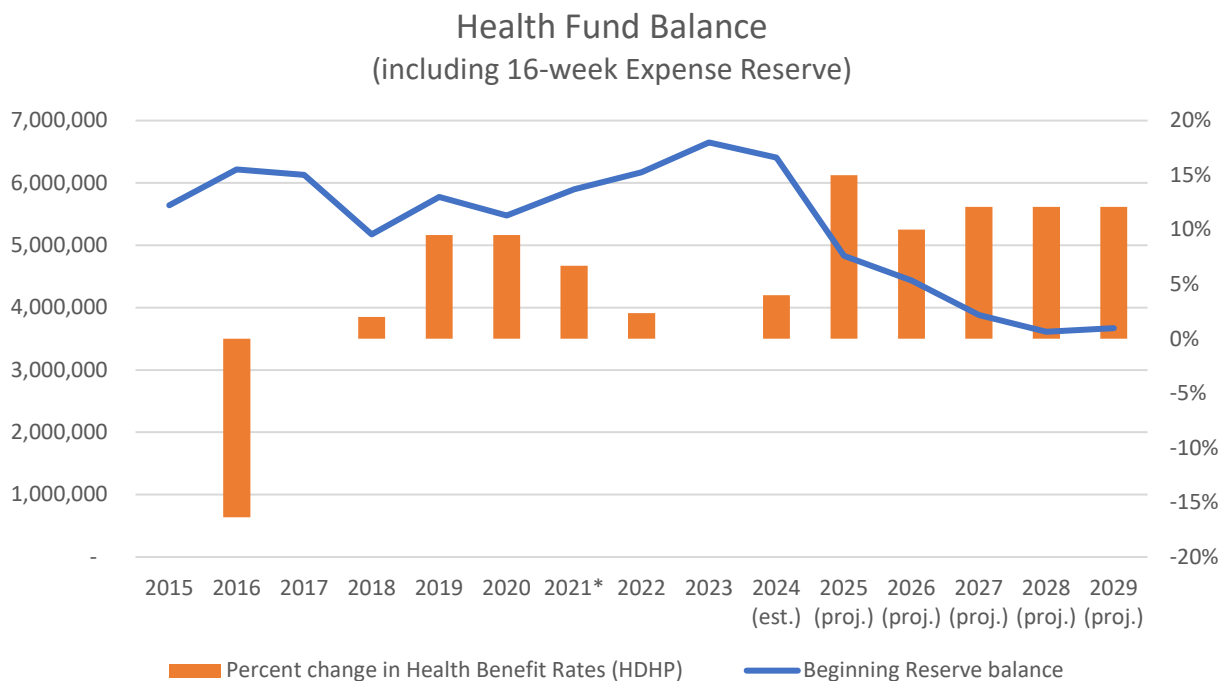
The preliminary 2025-2026 budget reflects premium increases in line with actuarial projections for cost growth, with annual increases of 15% in 2025 and 10% in 2026 and a continued use of

reserves. Implementing 12.1% increases from 2027 to 2029 will draw down the reserve to just above the required 16-week claims reserve (the estimated 16-week maximum liability for 2029).

Revenues are projected to collect less than expenses in future years if continued at the assumed rate growth as illustrated in the table above and in the following graphic. Though reserve balances are projected to remain above the 16-week minimum claims balance through the end of 2029 even assuming this draw down, it would be prudent to evaluate options for creating a sustainable long-term plan. Over the 2025-2026 biennium, staff will carefully track how assumptions have materialized and if necessary, will present proposed adjustments as part of the 2025 mid-biennial process.

Stop Loss Insurance Revisited

Additionally, it is important to note that as the City has stop loss insurance that caps individual claims at \$125,000 per year, and the overall plan at \$9.583 million per year. The City Manager, HR and Finance, working with the City’s healthcare advisor, are evaluating changing stop loss carriers and insurance levels to reduce costs. The same team is also evaluating alternatives to how the City supports those who require rare and expensive prescription drugs. It is worth noting that if significant plan design changes beyond these steps are considered, the City would need to educate, inform, and involve the labor unions.



The assumed increase in 2025-2026 premium rates described above does not relate to all healthcare expenses, only those tied to claims-related costs. It excludes costs related to the Healthy Kirkland Plan, including the Vera Clinic and HRA VEBA, which are relatively fixed. The table below summarizes the growth assumptions for claims costs in the overall Healthy Kirkland Plan.

**Healthy Kirkland Plan Components
Assumptions for 2025-2026**

Category	% Increase	
	2025	2026
Fully Insured Equivalent (Medical Claims)	14.0%	10.0%
Vera Clinic	7.0%	0.0%
HRA/VEBA	0.0%	0.0%
Third Party Administration/Stop Loss	23.0%	16.8%
Overall Increase to Self Insurance Budget	31.8%	5.5%

HEALTHCARE COSTS BEYOND THE HIGH DEDUCTIBLE PLAN

In addition to the high deductible plan, City of Kirkland employees are eligible for a range of other health plans, depending on their bargaining unit, as well as dental and vision plans. Therefore, the City's overall healthcare expenditures include premiums associated with the Kaiser managed care plan offered by the City, the LEOFF PFP plan costs, dental benefits, and internal staff costs associated with administering the program. The table below summarizes the increase in overall healthcare expenditures reflected in the preliminary budget (note that the LEOFF PFP increase is an estimate as the plan has not yet published its 2025 rates). The average medical benefit cost per subscriber will increase approximately 10% in both 2025 and 2026. Note that the 2026 factors are the best estimates available at this time and will be refined as part of the mid-biennial budget update in 2025.

Overall Healthcare Expenditure Changes

	2025	2026
Premiums and Premium Equivalent:		
HDP	15.0%	10.0%
Kaiser	2.1%	8.0%
IAFF PFP	10.0%	10.0%
Willamette Dental	9.9%	3.5%
Delta Dental	3.9%	3.5%
Vision	4.6%	2.8%
Other Fees:		
HRA/VEBA	0.0%	0.0%
Clinic Fee	7.0%	0.0%
Other Costs	1.0%	1.0%
Workers Compensation	4.9%	4.9%
Average Change per Subscriber from Prior Year (Medical Premiums)	11.3%	9.5%

CONCLUSION

For years, Kirkland has experienced lower healthcare costs than actuarial projections forecast, but during the current biennium, the number of claims, as well as claimant costs, have

increased. In response, the City has adjusted the fund forecast and planned higher claims-related premium increases. The five-year strategy of higher rate increases would continue the planned reserve drawdown while avoiding major changes to the plan. The projected reserve balance above the minimum allows for decisions in the next budget cycle to recognize actual claims trends and make modifications as needed. The projected reserve also acts as a hedge against worse than expected performance in the future.

In general, the overall health of the employee population is positive and participation in the clinic and wellness incentive programs remains high. Kirkland's rate of preventative visits per year continues to be well above business benchmarks. The success of the strategy is also illustrated by employee balances in HRA/VEBA accounts, which are more than \$8.3 million as of June 2024. These accounts, which were implemented with Healthy Kirkland Initiative, give employees and their families a financial buffer against unexpected medical costs.

NEXT STEPS:

Staff will closely monitor healthcare costs during the 2025-2026 biennium and evaluate program options as needed for the 2026 plan renewal. Staff will consider changes to stop loss insurance and how the plan supports those on rare prescription medications. If significant plan changes are considered for the next biennium, the City will engage with the labor unions.

ATTACHMENTS:

None.



MEMORANDUM

To: Kurt Triplett, City Manager

From: Michael Olson, Director of Finance & Administration
Kevin Pelstring, Interim Financial Planning Manager
Nida Haroon, Budget Analyst
Kate Marie Colmenares, Accountant

Date: October 10, 2024

Subject: **REPORT ON CREDIT CARD FEES**

RECOMMENDATION:

Staff recommends City Council considers implementing a processing fee on credit card payments beginning with development services permits and security deposit payments.

EXECUTIVE SUMMARY

- Dollar volume of receipts from credit card sales has grown from 2010 to 2023. In 2023, the City collected \$52.0 million in credit card sales, a 30% increase from the prior year.
- The City processed a total of 330,010 card-based transactions in 2023, generating \$51.8 million in revenue from major departments that accept credit card payments. The City incurred \$861,659 in fees, which represents 1.7% of the total credit card sales.
- Neighboring cities Bellevue and Redmond have started to implement processing fees on credit card payments since the last issue paper in 2022. Kirkland includes the estimated cost of the credit card fees in the total overall rate setting for most fees.
- Analysis on potential impact of implementing credit card fees in the City shows it could lead to increased customer complaints, decreased credit card usage and increased delinquencies and collections, which could create additional workload for staff.

BACKGROUND:

The City's Fiscal Policies under Revenue and Expenditure Policies states that "Credit card fee surcharges, cash discounts and online payment methods shall be reviewed and evaluated every two years as part of the biennial budget process to ensure that the cost of service is being covered and the City is taking advantage of improving technology."

[In 2022](#), as part of the 2023–2024 budget process, the City evaluated credit card fees by analyzing data from City revenues, credit card sales, and credit card fees between 2010 and 2021. The City recommended against imposing additional fees on credit card payments for Kirkland customers.

Benefit of Accepting Credit Card Payments

The City began accepting credit cards as an appropriate payment method in 2005. Accepting credit card payments offers several benefits to the City, including faster utility payments, fewer shut-offs for non-payment; increased convenience for the community when paying for Parks Programs, moorage, parking, and other City services; fewer returned checks for non-payment as customers are less likely to void a credit card charge than write a bad check; and improved collection rates from those with overdue fees due to the ease of credit card payments.

Cost of Accepting Credit Card Payments

Accepting credit card payments incurs various processing fees for the City, except for the Court and Jail, which use a third party for some services that charge fees directly to the customer. For those departments which do not add a processing fee, departments estimate these fees in their budget to cover the costs, which are then included in the service fees charged to all customers. As the volume and dollar amount of card payments increases, the associated fees also increase, potentially requiring adjustments to budgeted amounts.

Convenience Fee and Surcharge Programs

Visa and MasterCard rules do not allow merchants to set monetary limits to transactions, nor do they allow the merchant to accept some card types and not others. For example, some Visa and Mastercard types incur greater processing fees, such as business credit cards or reward cards. Merchants who wish to avoid the negative stigma of charging transaction fees to card paying customers generally build such fees into the price of providing services. Therefore, all customers bear the burden of the fee. Wrestling with how to budget the transaction costs for credit cards, some municipalities began assessing transaction fees for services paid with cards. This practice ended in 1993 when Visa and MasterCard became aware of this practice and began enforcing their bylaws which prohibit such action. The result was that Visa and MasterCard ordered banks to cut off service to those entities assessing transaction fees.

Since that time Visa and MasterCard have both developed programs designed for higher education and government agencies to assess convenience fees to the public. The distinction between a transaction fee (surcharge) and a convenience fee is an important one because Visa and MasterCard have strict regulations regarding this issue. A transaction fee (surcharge) is a fee collected to directly offset the cost of allowing the customer to pay with a card. A convenience fee is a fee assessed to the customer for the convenience of using a specific payment mode. In order to participate in these programs, the City must be sponsored by their merchant services bank.

Credit Card Fee Recovery Policy Changes

In November 2012, the federal district court approved a settlement that resolves interchange and merchant acceptance rules in the U.S. and its territories via the *In re Payment Card Interchange Fee and Merchant Discount Antitrust Litigation* (MDL 1720) class action suit against credit service providers. As a result of this settlement, merchants can now assess surcharge fees to credit card transactions, thereby allowing the merchant to offset the impact of fees incurred.

Debit Card Surcharges Prohibited

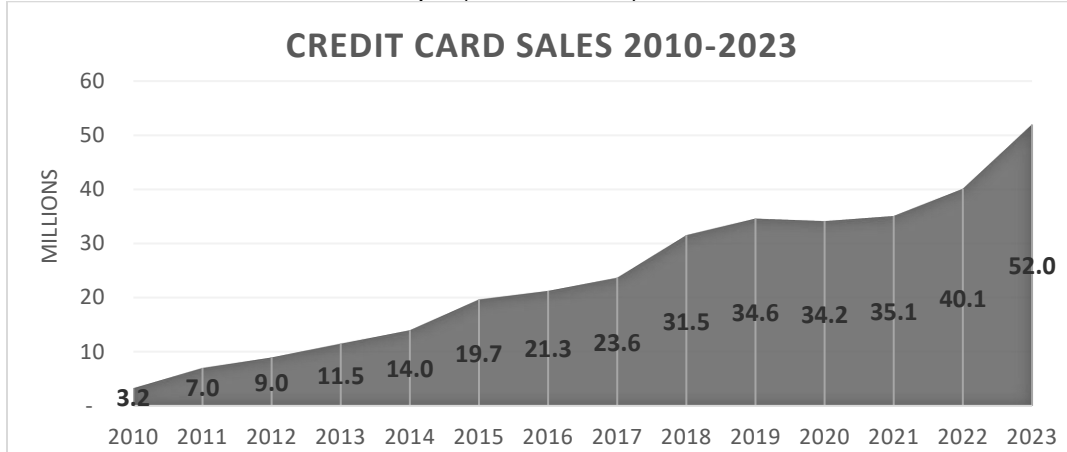
Regulations regarding this policy are stringent and would require an increased level of scrutiny when accepting card payments. Regulations prohibit surcharges on debit cards regardless of the method used to process the card, requiring the City to distinguish debit and credit card use.

DISCUSSION/ANALYSIS:

Credit Card Sales in City of Kirkland

The City accepts credit card payments for utilities, fines and court payments, recreation programs, development permits, boat moorage and parking. As shown in the graph below, the dollar volume of receipts from credit card sales has grown from 2010 to 2023.

I. Credit Card Sales Historical Graph (2010 – 2023)



The graph also shows the increase in credit card sales in the two most recent years. In 2022, the City collected \$40.1 million in credit card sales, a 14% increase in prior year. The significant increase is related to economic recovery post COVID-19 pandemic, where programs and facilities re-opened, and activities picked up. This is backed by the 1% decrease in credit card sales in 2020 from the City Hall closure during the COVID-19 pandemic and the 3% slow growth observed in 2021. Prior to the pandemic, a continuous increase in credit card sales was noted.

In 2023, the City collected \$52.0 million in credit card sales, a 30% increase in prior year. The increase was traced from development services collecting \$17.4 million, which represents 63% increase in credit card sales collected by the Department. This was then offset by six percent and 11% decrease in credit card sales from pet licensing and miscellaneous revenues, respectively.

Credit Card Sales and Total Revenues

Table I, on the following page, summarizes credit card sales as part of the total revenues collected by all departments accepting credit cards as their customers' mode of payment. Other payments accepted in these departments are cash and checks. Except in 2021, credit card sales as a percentage of total revenues have an upward trend from 2010 to 2023. Payments from credit card were at 38% and 42% of these departments total revenues in 2022 and 2023, respectively.

Table I: Credit Card Sales and Total Revenues

Year	Sales in (Millions)	Total Revenue	Credit Card Sales as % of Total Revenue
2010	3,248,063	49,044,725	7%
2011	7,025,179	57,527,516	12%
2012	8,950,142	69,678,338	13%
2013	11,469,720	80,094,245	14%
2014	13,978,324	82,622,412	17%
2015	19,657,991	85,733,935	23%
2016	21,257,180	91,881,770	23%
2017	23,644,150	91,936,716	26%
2018	31,508,685	98,813,491	32%
2019	34,579,832	95,370,095	36%
2020	34,156,347	90,053,085	38%
2021	35,104,679	100,936,321	35%
2022	40,091,500	104,223,099	38%
2023	51,980,870	125,185,573	42%

Analysis on credit card sales indicates a steady increase in customer preference for credit card payments over cash or check transactions. Barring any changes to the City's payment processing procedures, this trend is expected to continue.

Credit Card Fees

As noted in the previous section, accepting credit card payments incurs certain costs. These costs can be offset by implementing fees on credit card transactions. Currently, the City does not impose credit card fees on customers. Instead, departments budget for these fees and include them into the overall cost of service, which is then charged to all customers, regardless of their payment method.

Table II, on the following page, lists the major departments accepting credit card payments and the relationship between these departments' credit card sales, fees, and total revenues in 2023. During the year, the City accepted a total of 330,010 card-based transactions incurring \$861,659 in fees for \$51,838,023 in receipts.

The number of transactions by credit card has more than quadrupled since 2010, primarily due to increased use of e-permits online and the acceptance of credit cards for permits at the counter. Fees associated with card transactions have grown more than 13 times since 2010 and do not appear to be leveling off. Total credit card sales have increased 48% percent since the last budget issue paper was written in 2022.

Table II: Credit Card Sales, Fees, and Total Revenues in 2023

Department	Credit Card Total Sales	Credit Card Transactions	Credit Card Total Fees	Fees as a % of Sales	Total Revenue	Credit Receipts as a % of Total Revenue
Utilities	30,521,894	100,908	250,251	0.8%	73,562,152	41%
Development Services	17,416,304	11,123	458,451	2.6%	21,250,665	82%
Parks & Rec	2,363,597	21,469	71,214	3.0%	5,436,327	43%
Municipal Court	572,229	3,952	9,749	1.7%	1,679,800	34%
Cemetery-Licensing	349,168	1,098	7,889	2.3%	6,462,736	5%
Parking	396,587	188,402	56,117	14.2%	508,094	78%
Pet Licensing	100,355	2,450	3,530	3.5%	133,729	75%
Moorage	117,890	3,608	4,457	3.8%	117,890	100%
Grand Total	\$ 51,838,023	333,010	\$ 861,659	1.7%	\$109,151,391	47%

Neighboring Cities

The City of Kirkland often compares its policies and operations to those of Bellevue and Redmond in order to better determine regional municipal trends.

In 2023 and 2024, the [City of Bellevue](#) implemented fees on credit card payments for utilities, business licenses, and registration fees. [City of Redmond](#) will also implement convenience fees for processing credit card payments on utilities starting October 2024.

Potential Impacts of Implementing Credit Card Acceptance Fees by Department

Shifting the cost of accepting credit cards for payment to the customer will have varied affects for each department. The following summarizes the input received from each department regarding the potential impacts of making this change. Regardless of the method, implementing credit card acceptance fees for payment could lead to increased customer complaints, decreased credit card usage and increased delinquencies and collections, which could create additional workload for staff. Implementing surcharge fees would also lead to increased administrative monitoring and scrutiny as staff ensures the City is correctly operating under Visa and MasterCard’s complicated rules and regulations.

Utilities – The City is considered a “merchant.” Merchant accounts for utility payments are allowed a reduced fee for utility transactions. Currently the City uses a vendor who charges \$1.65 per transaction on qualified credit cards and debit cards, and 2.95% up to \$600 per transaction on non-qualified credit cards and debit cards. The utility merchant account would no longer be eligible for the reduced fee if the City attached a convenience fee, resulting in overall fees of approximately 2.95 percent of receipts. Implementing an additional charge for credit card fees would result in some customers shifting to cash, or debit card, or check payments. The online payment portal for utilities allows a customer to pay via ACH, with a fee of \$0.40 per transaction to the City. Currently 30.7% percent of all utility billings are paid by card. For some customers, the convenience of paying online will outweigh the impact of the fees on the individual and they will continue to pay by credit card. A portion of the utility customers could become upset and register their complaints with the City.

Development Services – Development Services is an area of service where assessing credit card processing fees will not likely affect business as a whole. While some customers may complain, the department believes that additional fees will not significantly influence building or development services revenues. To provide additional options to customers, Development

Services began accepting e-checks in August 2020. The City is not restricted from charging credit card fees on transactions associated with security deposits or on credit card payments related to other services.

Parks & Recreation –The business model for Parks and Recreation encourages people to use an online registration system for most parks and recreation programs, services, and rentals. Approximately 80% of all transactions are completed online. Credit card payments account for 86% of the department’s revenue processed through this registration system. Currently, prices are set to meet specific cost recovery targets defined by City Council. All costs, including credit card fees, are taken into consideration when setting fees. Staff resources have been adjusted to accommodate primarily online registration. Resources might have to be increased if additional fees are assessed to the customer, which would result in serving more people in person. Considering the populations that participate in the City’s recreational programs and services, an additional fee could result in disparate treatment for some, such as senior citizens, teens, and low-income individuals. Assessing a fee for credit card payments could alter these populations’ habits but the effect is unknown at this time. Many customers might consider a different payment type or might choose to spend their recreation dollar elsewhere.

Court Fines – Implementing additional fees for credit card payments could result in a greater number of unpaid fines and pose a greater challenge for court customers to pay off their fines. Unpaid fines would negatively affect accounts receivable and the budget. It would also increase court employees’ workload as collection attempts are managed. The Court’s customers are often upset about receiving fines and may be increasingly difficult to serve should additional fees be assessed.

Cemetery & False Alarm Reduction Program – Implementing fees for the cemetery could result in decreased card payments as individuals who use this method for convenience would simply mail in a check instead. Customers that have time-sensitive needs would likely continue to make their payment via card over the phone as there is no online option at this time. The City is exploring implementing an online payment capability. Last minute or urgent payments are often done over the phone and these customers are usually overwhelmed to begin with. The City could experience an increase in complaints and mailed payments.

Business Licensing – As of December 2018, the City of Kirkland moved to an online portal, managed by the Department of Revenue, for Kirkland business license fees. The Department of Revenue charges businesses a convenience fee of \$50 when applying for a new business license or City endorsement and \$5 when completing the annual renewal. The fees assessed by the Department of Revenue cover the merchant fee costs along with the maintenance of the online portal. The City of Kirkland is not charged any fees for credit card transactions for business licenses. Staff review applications and collect additional fees due for a Kirkland license for past years, if applicable. The implementation of additional fees could discourage timely credit card payments, leading to additional check payments being received. This potential increase would require additional staff time to receive and process.

Parking is driven by convenience and changes in pricing due to shifting the cost of credit card payments will likely not affect consumption, especially since the city’s parking consultant has deemed the current hourly parking rates low and recommends increasing them. This being said, some people will choose to avoid increased parking fees and may avoid downtown or park on residential streets near their destinations creating additional congestion on those roads. The impact of adding fees to parking is more apparent than other categories because the fee as a percentage of revenue is much higher than other categories at 22 percent, due to the very small size of each transaction.

Moorage – Credit card payments comprise 100% percent of moorage revenues, and over 99% of boat launch revenues collected at the pay station. Due to low usage, the higher average cost of moorage transactions, and security concerns regarding cash storage in the pay stations, cash payment was eliminated as an option at the Marina and 2nd Ave Docks in 2019. Cash was still an option for boat launch payment through the end of 2023 but was phased out in early 2024 due to extremely low usage (less than 1% of all revenue received for the boat launch). An additional fee for credit cards likely will not affect boat moorage in Kirkland due to the low cost of City moorage rates compared to local alternatives. Raising moorage rates slightly to account for the increased credit card fees is another option.

Payment Options

As of August 1, 2020 the eCityGov Alliance implemented eChecks as a form of payment for developers. eChecks, together with Paypal and MBP, allow developers and those paying for permits a streamlined payment process without the City incurring a credit card fee. With developers often having payments that would exceed a credit card limit, eChecks now alleviate the need to mail or hand deliver a check to the City. This in turn could lower the City’s administrative time spent handling checks. Instead of a credit card fee, there is a transaction fee based on the total dollar of payments processed. The City pays a monthly account fee of \$49.95 and a per transaction fee of \$0.50 for eChecks. In 2023, the total transactions made using e-checks were 700 and total fees charged for these transactions was \$987.

Development Services customers have not used e-checks as much as anticipated. Staff have reported a steady amount of returned e-checks in the past years. In 2023, 19 transactions were returned. The City incurred a total of \$38 in return fees as a result. These returns are associated with payments from insufficient funds and processing issues with Paypal. Processing issues occur from customer mistypes when making e-check payments since Paypal does not honor and collect payments for these transactions. Since the customer has paid online and received an e-permit right away, it can be difficult and time consuming for the staff to resolve the issue.

Charging Fees on Security Deposits

Staff are assessing credit card fees to payments for security deposits. By holding the funds, the City is losing approximately 3% for each payment. However, there are administrative and other considerations that will be considered before determining any decisions of assessing fees or requiring all security deposits to be paid by check. Table III shows the security deposits from 2019. [The](#) City is not restricted from charging credit card fees exclusively to security deposits.

Table III: Security Deposits (2019 – 2023)

Year	Deposits	Performance/ Maintenance Deposit	Admin Deposit	Total
2019	176	\$ 685,168	\$ 222,750	\$ 907,918
2020	130	\$ 500,647	\$ 211,570	\$ 712,217
2021	166	\$ 984,358	\$ 118,212	\$ 1,102,570
2022	240	\$ 1,908,038	\$ 224,435	\$ 2,132,473
2023	292	\$ 1,181,023	\$ 365,920	\$ 1,546,943
Total	1004	\$ 5,259,234	\$ 1,142,887	\$ 6,402,121

NEXT STEPS

Overall, staff still recommends that the customer service and administrative benefits of not charging processing fees outweigh the financial benefit that comes from charging the fees. This assumes the City remains diligent in incorporating the cost of the credit fees into the overall cost recovery calculations. However, with the growing acceptance of processing fees for the use of credit cards, if the Council wishes to try a pilot to ascertain community response and administrative impact, staff recommends establishing a credit card processing fee for development permits and security deposits as a starting point. Staff will be seeking Council direction on whether to initiate a pilot.

ATTACHMENTS:

None



MEMORANDUM

To: Kurt Triplett, City Manager

From: Lynn Zwaagstra, Director of Parks and Community Services
Jen Boone, Human Services Manager
Hillary De La Cruz, Management Analyst

Date: September 13, 2024

Subject: **Current State of the Homelessness Continuum of Care in Kirkland**

RECOMMENDATION:

Staff recommends that the City Council reviews the following memorandum about the current state of the Homelessness Continuum of Care in Kirkland.

EXECUTIVE SUMMARY:

- This memorandum responds to the Council's adopted Resolution R-5631 Declaring the City's Commitment to Addressing Homelessness and Authorizing the City Manager to Develop a Homelessness Continuum of Care Action Plan.
- Additionally, this memo provides an overview of the actions taken to date by the City to respond to homelessness in order to make homelessness rare, brief, and non-reoccurring in Kirkland.

BACKGROUND:

On June 4, 2024, the City Council adopted Resolution R-5631, declaring the City's commitment to addressing homelessness through a person-centered approach and authorizing the City Manager to develop a Homelessness Continuum of Care Action Plan for new policies, programs, and services that prevent and respond to unsheltered homelessness in Kirkland.¹ Council directed staff to prepare an Action Plan that includes objectives and actions to support a variety of policy goal areas including, but not limited to:

- Preventing homelessness, providing a compassionate and dynamic response while providing support to best meet people's needs with dignity and respect,
- Activating the Homelessness Assistance Response Team (HART),
- Collaborating interdepartmentally in responding to homelessness on public property, and
- Identifying local and regional short, medium, and long-term funding strategies to accomplish each of the goal areas.

The Action Plan will be drafted in conjunction with a community input process and transmitted to City Council by April 30, 2025.

Section 4 of Resolution R-5631 directed the City Manager to prepare issue papers on homelessness response system gaps and potential responses as identified by the Coordinated

¹ www.kirklandwa.gov/files/sharedassets/public/v/2/city-managers-office/pdfs/resolution-r-5631.pdf

Response to Homelessness Team (CRT), as well as summarizing what actions have occurred. While the Action Plan will be transmitted in 2025, to provide the City Council with background to inform future policy and budget decisions, and to foster collective education and learning for staff, Council, and members of the public, the 2025-2026 biennial budget packet includes five informational memorandums:

- Current State of the Homelessness Continuum of Care in Kirkland
- Evaluation of the Current Legal Climate Related to Homelessness
- Authorized Encampments Potential Code Changes
- Overview of Tiny House Program Models
- Overview of Vehicle and RV Residency Program Models

This memorandum provides information about the regional response to homelessness, a comprehensive overview of the current state of the Homelessness Continuum of Care in Kirkland, and details about the City's recent work through the Coordinated Response to Homelessness Initiative.

DISCUSSION/ANALYSIS: SUPPORT FOR A REGIONAL APPROACH TO ADDRESSING HOMELESSNESS

Eastside Cities Coordination

Over the last 15 years, Eastside cities have been aligned in funding homelessness crisis response, prevention, and supportive services to make homelessness rare, brief, and one time; providing shelter across demographics, and collaborating to increase capacity and resources for individuals experiencing homelessness. This has resulted in a significant expansion of homeless shelters, day centers, and outreach services on the Eastside. Leveraging resources and working in partnership with Federal, State, County, and private funders, faith communities, and service providers, the Eastside has worked together to ensure individuals experiencing homelessness have a safe place to live and a path toward housing stability.

Human services funding across all Eastside agencies includes best practices in funding services that extend beyond just specific episodes of homelessness and aim to help resolve crises, provide access to on-going support, and offer basic safety net services. Examples of regional collaboration and coordination include:

- Interlocal agreement establishing pooled contracts for shelter providers receiving funding awards from multiple cities.
- Monthly coordination of street outreach staff through monthly meetings and shared data collection processes.
- Monthly convening of city human services staff, providers, and advocates through the Eastside Homelessness Advisory Committee (EHAC).
- Monthly coordination with Eastside cities human services and homeless programs staff with King County Regional Homelessness Authority (KCRHA).

In response to the formation of KCRHA in 2019, the cities of Bellevue, Kirkland, and Redmond hired a consultant to coordinate Eastside regional homelessness discussions among the cities to establish a framework and set the table for more formal collaboration, including advising on KCRHA's Five Year Plan and East King County Subregional Plan in 2021. This work included coordination with Eastside cities; continued coordination with Eastside providers, advocacy

groups, faith community, business interests, and philanthropic entities; as well as coordination and collaboration with KCRHA.

Attachment 1 includes the Memorandum of Findings prepared by the consultant documenting the coordination of homelessness response between the cities of Bellevue, Kirkland, Issaquah, Redmond and Sammamish and KCRHA, and includes in-depth background and context for future discussion and decisions about how cities can respond to homelessness from a regional standpoint. Attachment 1 is not intended to be a recommendation, but documentation of current efforts and discussions by City human services staff in coordinating a response to homelessness in the East King County subregion.

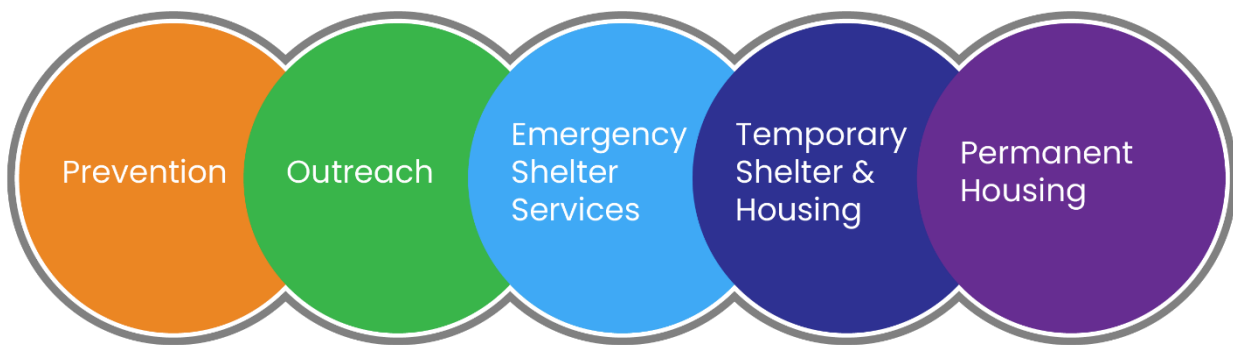
King County Regional Homelessness Authority (KCRHA)

As mentioned, the King County Regional Homelessness Authority was established in 2019 through an interlocal agreement between King County and the City of Seattle. The government agency’s mission is to significantly decrease homelessness throughout King County, using equity and social justice principles. The intent of the standalone agency is to coordinate policy, funding, and services for people experiencing homelessness in King County.

The KCRHA 5-Year Plan approved in 2023 outlines a three-pronged approach to address the growing issue of homelessness, with a focus on provider support, establishing a coordinated network of services, and cross-system collaboration.² It also informs the subsequent development of the East King County subregional plan which outlines key activities and actions for homeless system stakeholders, including local jurisdictions. Many of the key activities and actions outlined in the current draft mirror the policy goal areas proposed in Resolution R-5631 that will be included in Kirkland’s Homelessness Continuum of Care Action Plan.

**DISCUSSION/ANALYSIS:
INVESTMENTS ACROSS KIRKLAND’S HOMELESSNESS CONTINUUM OF CARE**

Figure 1: Kirkland’s Homelessness Continuum of Care



The City makes investments in several critical areas as part of its approach to providing a pathway, or Continuum of Care to people experiencing homelessness as demonstrated in Figure 1, including homelessness prevention, street and vehicle outreach, emergency shelter services, temporary shelter and housing, and permanent housing. Many of these critical services are provided by nonprofit organizations who receive City human services grant funding.

² kcrha.org/wp-content/uploads/2023/06/FINAL-KCRHA-Five-Year-Plan-6.1.23.pdf

Prevention

Homelessness prevention provides resources to keep individuals and families housed when experiencing an unexpected financial event or crisis that can lead to housing instability. The goal is to prevent a household from losing its housing by providing direct assistance to support the household remaining housed. The most common services include financial assistance or legal support that can help with eviction prevention, rent, utilities, medical bills, car repairs, and childcare.

Prevention has been a top priority for the Kirkland Human Services Commission during the last few human services grant cycles. In 2021, the City Manager earmarked new funding sources, including House Bill 1406 dollars and one-time pandemic funding to support prevention programs.³ Investments have included:

- Funding a full-time attorney dedicated to eviction prevention for low-income Kirkland residents in partnership with Eastside Legal Assistance Program (ELAP) since 2020.
- Over \$1 million in federal funding to support Residential Rent and Utility Relief Programs administered by the City and community partners in 2021-2022.
- Awarding over \$700,000 in grant funding to agencies providing rent, utilities, and financial assistance to support low-income, families with children, and Limited English Proficient households in 2023-2024.

Other actions supporting prevention include:

- Adopting legislation concerning tenant protections as recommended by A Regional Coalition for Housing (ARCH) in response to significant rent increases and fees.
- Extended eviction moratorium to support residents during the pandemic.
- Kirkland Rental Risk Assistance Fund to support households facing barriers to obtain stable housing.
- Kirkland Cares Low-Income Support Program to support households with discounts on utility rates and other City services and charges.
- Funding a 1.0 FTE Human Services Coordinator position starting in 2021 focused on Community Wellbeing, which includes connecting residents to resources. Rent assistance and legal assistance have been the most requested resources since 2021.

Outreach

Outreach focuses on building relationships with people experiencing homelessness by connecting them with immediate resources and services to foster trust. Outreach work includes basic needs distribution, food, water, and referrals to services like shelter, housing, treatment, and healthcare.

In 2020, the Human Services Commission recommended a Homeless Outreach Coordinator position in the 2021-2022 grants budget to contract with an agency for street outreach services

³ House Bill 1406 allows local jurisdictions to impose a local state-shared sales and use tax to fund affordable housing or rent assistance activities. The funds were earmarked for human services grants beginning in 2021.

One-time pandemic funding references the Coronavirus Aid, Relief, and Economic Security Act (CARES) and American Rescue Plan Act (ARPA) funding received in 2020 and 2021.

in Kirkland. The contracted agency was unable to consistently provide the service and, combined with the increased demand for services for those who are unhoused, it was determined that contracting with an outside agency did not meet the current need. The City Manager recommended adding a City Homeless Outreach Coordinator position during the 2023-2024 budget process. The recommendation aligned with a similar approach used by Eastside cities, including Bellevue, Redmond, and Issaquah, citing the benefits of increased collaboration, capacity, and coordination at the City level among first responders, Human Services staff, and community partners in addressing homelessness compassionately and responsively. Council approved the position, bolstering the City's ability to assist those who are unhoused, first responders, City staff, the business community, and residents. The first Homeless Outreach Coordinator (HOC) was hired in April 2023, leading to the development of the Homeless Assistance and Response Team (HART) described further below.

Other investments to support outreach work include:

- Hotel vouchers during cold weather events for first response teams and the HART team to distribute, a program that began in 2021.
- Flexible assistance fund to assist outreach staff with purchases like food or coffee, document replacement like identification or social security card, transportation, and other small barriers that can hinder a person's ability to access housing.

Emergency Shelter Services

Emergency shelter services are programs that offer 24/7/365 shelter with wraparound support to households who have lost housing, including case management, employment, and behavioral health support. On the Eastside, there are 8 year-round shelters serving men, women, youth, families and domestic violence survivors, totaling over 700 beds. The majority are near or at capacity on any given night. Best practice models for shelter focus on population type, so access points for shelter vary based on household composition.

- Catholic Community Services manages New Bethlehem Place in Kirkland, offering 52 beds for approximately 10 families experiencing homelessness. They also have a hotel program in Kirkland to support an additional 10 families. The City played a significant role in the siting and opening of the first year-round shelter for families on the Eastside in 2020.
- Friends of Youth provides shelter to young adults between 18-24 years at the Willows Youth Services Center (formerly The Landing). The agency recently moved from Redmond to Kirkland, expanding capacity to serve up to 25 youth each night.
- Friends of Youth offers shelter to youth ages 7-18 at the Youth Haven shelter in Kirkland. Three types of beds for a total of 10 are available based on household need: four emergency shelter beds, four extended shelter beds, and two transitional beds for long-term stays.
- The Sophia Way provides two shelter programs for woman experiencing homelessness. Helen's Place is co-located in Kirkland with New Bethlehem Place, serving up to 48 women at a given time. For women requiring additional support, Sophia's Place in Bellevue offers extended stay shelter for 21 women up to six months.
- Mary's Place provides 260 beds for families experiencing homelessness in Bellevue.
- Porchlight Eastside Men's Shelter, located in Bellevue, has 100 beds for men experiencing homelessness. Porchlight also manages a hotel and rotating shelter

program, totaling an additional 20 beds. The City funds the main shelter and rotating shelter.

- Hopelink manages the Avondale Park shelter for families experiencing homelessness using an apartment model in Redmond. Up to 32 beds are available.
- LifeWire provides shelter to survivors fleeing domestic violence, with 55 beds available at a safe, confidential location.

Most of these programs can provide expanded capacity during severe weather events, including cold, heat, and smoke. Shelters serving families and domestic violence survivors participate in a regional network of shelters throughout King County to manage regional capacity in an attempt to not turn a household away from services. Currently, there are wait times to access both family and domestic violence shelters throughout King County. Families must call the regional family intake line daily to see if there is bed availability and domestic violence survivors call the Hopeline regional line.

Several shelters also offer day center services. Despite day center services being provided at the same location as shelters, the services are distinct and are not impacted if a shelter is at capacity, meaning that the drop-in services are available to more people. Day centers offer hot meals, showers, laundry, mail services, case management, and other resources based on population type. Day centers on the Eastside include:

- New Bethlehem Day Center, serving families in Kirkland.
- Willows Youth Services Day Center, serving young adults 18-24 in Kirkland.
- Porchlight Day Center, serving men in Bellevue.
- Sophia's Day Center, serving women in Bellevue.
- Overlake Church Day Center, serving individuals and couples in Redmond.

Human services grants support shelter capacity, day centers, and expanded services to meet the increasingly complex needs of shelter and safe parking program participants. Funding has increased over the years to include a focus on staffing and new programs focused on behavioral health support and employment assistance. In 2023-2024, the City invested over \$1 million through various funding sources, including 2018 Police and Community Safety Prop 1, American Rescue Plan Act, Community Development Block Grant funds, and Multifamily Tax Exemption (MFTE) dollars.

Temporary Shelter and Housing

Temporary shelter and emergency housing programs vary in service model but are often time-limited, providing an interim step toward securing permanent housing.

Sanctioned Encampments

Sanctioned Encampments are temporary shelters for people experiencing homelessness that are legally sanctioned and located on public or private property. In Kirkland, sanctioned encampments can be hosted up to 92 days before they are legally required to move as outlined in Kirkland Zoning Code 127. Most sanctioned encampment or 'tent cities' do not provide case management or on-site services. The City has supported sanctioned encampments, most recently, Camp United We Stand in Fall 2023, and previously supported Tent City 4 and Camp

Unity.⁴ No sanctioned encampment has been hosted on City property but instead encampments have been managed and supported by a local faith-based organization in Kirkland.

Safe Parking Programs

Safe Parking Programs offer a safe place for residents living in vehicles or recreational vehicles to park and receive services to support transition back into housing. On the Eastside, there are four programs:

- Lake Washington United Methodist Church (LWUMC): serving single women and families in Kirkland in vehicles only with up to 60 parking spaces. On-site services include case management, showers, laundry, and community meals. In 2023, approximately 140 households were served through LWUMC safe parking.
- City of Bellevue Safe Parking Pilot: opened in Summer 2024, the program provides parking for 20 vehicles and RVs. The program is currently prioritizing families and hosts on-site services, including community meals and case management support.
- Overlake Christian Church: serving individuals and couples in vehicles only with up to 15 parking spaces. On-site services include support from outreach staff, showers, and laundry located in Redmond. In 2023, 35 participants were served by and transitioned out of the OCC safe parking program.
- St. Jude's: serving individuals and couples in vehicles only with up to 15 parking spaces located in Redmond.
- Newport Presbyterian Church in Bellevue: serving single women and families in vehicles only with up to 8 parking spaces from March through November located in Bellevue.

The City has collaborated with safe parking programs on the Eastside for years but has recently expanded its investment with the hiring of the Homeless Outreach Coordinator. The City recently entered into its first agreement with Lake Washington United Methodist Church to co-offer resources for participants working with the Homeless Outreach Coordinator and the Human Services Commission is recommending funding Overlake's Safe Parking Program in 2025 due to increased demand for services at the location.

Transitional Housing

Transitional Housing focuses on temporary housing with supportive services for individuals and families experiencing homelessness that is time limited, usually up to two years. The objective is to prepare households with the skills to successfully move into permanent housing. This includes having a lease or occupancy agreement and paying a small portion of rent, but a household is still defined as homeless using the U.S. Department of Housing and Urban Development (HUD) definition. The City funded several transitional housing programs through 2016 until adjusting human services grant priorities to align with recommendations outlined by HUD to prioritize investments in prevention and permanent housing programs.

While the City currently supports two transitional housing programs for single women and families currently experiencing homelessness, the majority of funds have shifted to other areas along the Continuum of Care. The City did support the preservation of 37 transitional housing units for families experiencing homelessness earlier this year through a \$168,000 grant to

⁴ www.sharewheel.org/tent-city-4
campunityeastside.com

support Attain Housing’s transition of assets to another nonprofit organization in partnership with ARCH.

Temporary Housing

Temporary Housing is a type of emergency housing for individuals or families experiencing homelessness that often is non-congregate, which provides private space or accommodations for individuals or households. This type of housing has become increasingly popular in response to emergency shelter programs being at capacity. In recent years, non-congregate models have become more trauma informed with faster positive outcomes, especially for families experiencing homelessness. Common models include hotel programs and tiny houses, where an individual receives services to address basic health, food, clothing, and personal hygiene needs. Most models offer case management services and residents stay between 90 days to two years. Participants do not enter into a lease or occupancy agreement for these types of programs. There are no temporary housing programs in Kirkland or funded with human services grant dollars. Regional examples include:

- Haven Heights located in Redmond opened in May 2024 and will operate emergency housing under King County’s Health through Housing Initiative.⁵
- The Low-Income Housing Institute operates 18 Tiny House Villages in Seattle, Tacoma, Olympia, Skyway, Tukwila, and Bellingham.

Permanent Housing

Permanent housing models do not have designated lengths of stay but can vary in the types of services available and populations served.

Permanent Affordable Housing

Permanent Affordable Housing is subsidized housing that ensures households pay no more than 30% of their monthly income on rent and utilities. These types of units provide stable, rent restricted housing for low- and moderate-income households. Permanent affordable housing units are often created through local housing incentive and inclusionary programs, including mandatory inclusionary zoning, voluntary density bonus, and multifamily tax exemptions. In Kirkland, these types of programs have generated additional housing projects throughout the City. Recent projects include:

- 315 affordable units of 442 units at Polaris in Totem Lake
- 170 affordable units for seniors at Ardea in Totem Lake
- 125 affordable units at Grata in Totem Lake

Participation in ARCH has allowed the City to invest over \$3 million in Community Development Block Grant funds to support the preservation and development of affordable housing on the Eastside. Example projects include King County Housing Authority properties, like Kirkland Heights, which is currently under redevelopment to expand capacity for the 76 units serving low-income families. For a comprehensive list of affordable housing units located on the Eastside, review the apartment list on ARCH’s website.⁶

⁵ Health through Housing sites are emergency housing or permanent supportive housing. The Redmond site is currently operating like emergency housing but will eventually move to permanent supportive housing. The Redmond site is distinct from Kirkland’s site. The Kirkland site will open as permanent supportive housing.

⁶ www.archhousing.org/affordable-apartment-list

Permanent Affordable Housing with Services

Permanent affordable housing with on-site case management services supports long-term stability for low to moderate income households. Imagine Housing is the leading developer and provider of affordable housing with services on the Eastside. Imagine Housing supports households with incomes between 0-60% of King County Area Median Income, approximately \$88,440 for a family of four in 2024. The agency provides units for families with children, households exiting homelessness, veterans, people living with disabilities, and seniors. The City supports Imagine Housing with grant funding that supports case management and community building events, supporting over 250 low-income households at four properties.

Permanent Supportive Housing

Permanent Supportive Housing pairs subsidized housing with onsite case management and wraparound services that can include behavioral health, medical services, employment navigation, transportation access, and food access. This type of project supports the lowest income and most vulnerable populations, specifically residents experiencing chronic homelessness and living with a disability. The former La Quinta Inn, purchased by King County for the Health through Housing Initiative, is an example of this type of housing and will provide housing with services for 100 residents beginning in 2025. To date, the City has not allocated funding to the project but is an active partner in supporting success of the project, including development of the good neighbor agreement, safety and security plan, and code of conduct in partnership with King County and Plymouth Housing.

Attachment 2 shows the Homelessness Continuum of Care regional map, highlighting critical access points and service locations for those experiencing homelessness in Kirkland. The map is also linked on the City's response to homelessness webpage and is updated regularly.

DISCUSSION/ANALYSIS: CURRENT STATE OF HOMELESSNESS IN KIRKLAND

Despite investments in the Continuum of Care, the problem facing Kirkland and the region is the insufficient supply of affordable housing units and service provider capacity to adequately serve the growing number of households living unhoused on the Eastside. The following section outlines data sources that contribute to the problem statement, source limitations, and a summary of the City's recent work in coordinated response to homelessness efforts.

Data About Homelessness

With the onboarding of the Homeless Outreach Coordinator, the City was able to begin collecting data specific to Kirkland for the first time. Between April to December 2023, the HOC's contacts with 160 individuals helped the City identify what challenges people unhoused in Kirkland face, and what gaps exist in the Homeless Continuum of Care. The HOC data does not specifically address how many people are currently experiencing homelessness in Kirkland. The data collection needed to answer the question of how many people are currently experiencing homelessness in Kirkland requires acute cross-system coordination and a methodology that does not currently exist. Below are the data sources the City currently uses and a plan for data collection into 2025.

Across all data collection sets summarized below, the following are true for those experiencing homelessness in King County:

- The number of unsheltered homeless persons is increasing.

- The number of households entering homelessness is increasing at a faster rate than the number of households moving into permanent housing in King County.
- Shelters and other homeless service programs are regularly at capacity, leaving many households with little choice other than to live outside.
- The population of unhoused individuals is skewing older, experiences more frequent and longer episodes of homelessness, and often has other chronic, complex social and health needs.

The City uses five data collection sets when analyzing homelessness. Each data set provides important information about the homeless landscape and continuum of care with each set spanning between local and regional systems, each having different limitations.

Point in Time (PIT) Count

The PIT Count tracks the number of unsheltered and sheltered individuals in King County. The count is required every other year by HUD in order for King County to receive federal funding. The count is normally conducted in January. KCRHA is responsible for conducting the PIT Count and released this year's report in May, showing at least 16,385 individuals experiencing homelessness in King County, up 23% from the 2022 PIT Count. This count is widely known to be an undercount and does not include a full picture of those experiencing homelessness in King County due to the methodology of collecting a snapshot from one night rather than a full year. KCRHA did change the methodology with approval from HUD and used respondent driven sampling to collect data between January 22 - February 2, 2024.⁷ Subregional data will be available for East King County, but the data has not been released. PIT data is most frequently referenced when talking about the number of individuals experiencing homelessness in the region.

Homeless Management Information System (HMIS)

A HMIS is required by HUD for the regional coordinating body to track data on the services provided to those experiencing homelessness. In order to receive federal funding, a local HMIS must be managed that requires any organization serving people experiencing homelessness to enter data.⁸ In King County, KCRHA manages HMIS. HMIS includes assessments, which collect information used to identify program eligibility and make referrals to programs, including placement into housing through Coordinated Entry (CE)⁹.

KCRHA can use HMIS data to identify service gaps, which inform system design and policy decisions based on current trends. All emergency shelter providers on the Eastside are currently required to enter information into HMIS, including enrollment data such as daily bed night counts and inventory counts to understand utilization rates. In 2023, Porchlight Men's Shelter, New Bethlehem Shelter, Mary's Place, and The Sophia Way had an average capacity of 114%.

⁷ KCRHA partnered with the Washington Department of Commerce and Cloudburst Consulting to use statistical modeling, administrative data, and annualized number to estimate the number of people experiencing homelessness in King County. The estimated number for 2022 was that 53,532 people experienced homelessness at some point during the year.

⁸ The requirement used to be for providers receiving public funding. Despite the shift in requirements under KCRHA, not all programs providing services are entering data into HMIS.

⁹ Coordinated Entry, which uses the Coordinated Entry for All (CEA) assessment, is used in King County with the purpose of ensuring that people experiencing homelessness have equitable access to housing resource connections to resolve their housing crisis. Learn more: kcrha.org/regional-access-points/

The City of Kirkland does not enter data into HMIS, but the HOC can access HMIS to see previous enrollments in programs like shelter, conduct assessments, and nominate clients for housing placement. City outreach and shelter staff have provided feedback to KCRHA on the limitations of HMIS, in particular when it comes to an individual information, which requires separate data entry for case management to track individual goals. KCRHA has identified data refinement and improvement in the agency's 5-Year Plan.

Apricot

Apricot Case Management software provides a snapshot of an individual's progress in the homeless outreach program. Each contact the HOC has with an individual is entered into Apricot. The system currently collects demographic information, housing status, length of program engagement, and individual service plan. The City of Redmond invested in Apricot in 2023 to support Redmond's Homeless Outreach program and invited Kirkland to participate in 2024. The City of Bellevue plans to join in 2025. The intent is to share information to support a coordinated approach for unhoused residents moving between jurisdictions, ensuring City outreach teams can share information and avoid duplication of resources. Beginning in 2025, a data standards manual will be finalized to assist City outreach staff when entering clients in the system, ensuring data quality standards are met across all participating cities. In 2025, Apricot data can be used to share regular reports about the Homeless Outreach program, including number of contacts, current caseload, referral source, demographic information, and housing stability goals.

In the first year of the program (May 2023 - August 2024), the HOC established contact with 161 households representing 211 individuals experiencing homelessness. Thirty-eight percent (38%) of households (62 total) had either met a housing stability goal (e.g., enrolling in shelter, relocating to live with family, accessing treatment, or moving into housing) or were actively working on a housing stability goal with the HOC. Of the 62 households, 18 households moved into permanent housing. The remaining 62% of households were deceased, incarcerated, lost contact, or declined receiving services.

Human Services Grant Reports

In order to receive grant funding, homeless service providers must submit quarterly and annual progress reports to City staff. Quarterly reports share information about service units and number of residents served. Service units for shelters often include bed nights, case management hours, community meal, or basic need supplies. For drop-in centers, service units include drop-in visits or hygiene kits distributed. For housing programs, service units include case management hours, community events, or number of referrals. Annual reports provide demographic data and program outcomes. Shelter outcomes can include exits to permanent housing, or enrollment in a housing plan.

In 2023, the shelters funded by the City supporting men, women, families, youth and young adults, and domestic violence survivors served 1,345 individuals. Shelters operate under a regional model and are the only programs not required to report on previous or current city of residence for human services grants in order to be eligible for reimbursement. This limits a jurisdiction's ability to estimate the total number of residents of Kirkland that enrolled in shelter each year.

HART

The Homeless Assistance and Response Team is a team of cross departmental experts that respond to homelessness reports based on the situation, including Police, Fire, Mobile Integrated Health, Parks Ranger, Homeless Outreach Coordinator, Regional Crisis Response (RCR), Code Enforcement, Public Works, and Community Court. Each entity has its own data system that tracks data specific to the success of the program and subsequently reports on homelessness differently.

For example, Julota, used by RCR, connects co-response teams with mobile integrated health and law enforcement with a specialized focus on mental health, opioid use, 911 high frequency users, and healthcare. For the HOC, Apricot tracks individual service plans for housing, referrals, and case management hours. Police and Fire also track calls in their specialized systems. While there is some overlap, the specialized needs for HART members, combined with the confidentiality limitations like HIPAA, restrict HART members from successfully accessing individual systems or coordinating under one system that meets the comprehensive needs of each program. City staff have explored if one system could meet multiple HART members data tracking needs, and have not identified a system at this time that would improve coordination and data reporting between HART members to avoid duplication.

Kirkland Coordinated Response to Homelessness Team (CRT)

In May 2023, the City Manager launched an interdepartmental coordinated response to homelessness initiative. The initiative helps the City more efficiently and effectively coordinate the growing regional focus on issues of homelessness and housing, the Health Through Housing project coming to Kirkland, and impact of the City's first HOC position. This initiative focuses efforts across the organization to respond to reports of unhoused individuals in Kirkland and to improve the City's homeless outreach and response. As part of the initiative, the City Manager assembled a Coordinated Response Team (CRT). The purpose of the CRT is to understand, coordinate, streamline, and maximize resources to ensure an effective response across 'the system' and engage community members and other stakeholders so they know what the City's response entails and how to activate it.

The CRT's goal is to make substantial progress reducing and preventing homelessness in Kirkland. The CRT has six main objectives:

1. Establish a forum for on-going interdepartmental and community partner collaboration to identify resource gaps, problem-solve, and continue coordinating to make substantial progress reducing and preventing homelessness in Kirkland.
2. Maximize the Council's human services investments to provide effective, coordinated, and compassionate response to unhoused community members in Kirkland.
3. Clearly define and articulate the coordinated response and sustain the response.
4. Clearly and proactively communicate to the Council, City employees, community partners, the public, and other stakeholders how to activate the City's coordinated response and what next steps are included in the response.
5. Ensure 65% of the rooms at King County's Health Through Housing project in Kirkland are leased to individuals referred by the City and its Eastside partners.
6. Develop innovative policy ideas and funding strategies to both prevent and respond to homelessness.

The following sections highlight major accomplishments in the CRT's work between May 2023 and September 2024. These details build on a report provided to Council on April 16, 2024.¹⁰

¹⁰ www.kirklandwa.gov/files/sharedassets/public/v/1/city-council/agenda-documents/2024/april-16-2024/3a_study-session.pdf

Homelessness Assistance and Response Team (HART) Formation

The Homeless Assistance and Response Team (HART) consists of frontline staff from various departments across the City to provide compassionate outreach and assistance to residents experiencing homelessness. The HART team strategy is to transition individuals into stable housing through outreach and case management services provided by HART members and partner agencies. The HART team includes the following positions:

- Homeless Outreach Coordinator (Parks and Community Services Department)
- Neighborhood Resource Officer (Police Department)
- Mobile Integrated Health Unit (Fire Department)
- Crisis Responder Supervisor (Regional Crisis Response Agency)
- Park Ranger (Parks and Community Services Department)
- Streets and Grounds Manager (Public Works Department)
- Planning Supervisor for Code Enforcement (Planning and Building Department)
- Community Court Coordinator (Municipal Court)



Kirkland's HART Team

Staff and Community Education

Staff held a Coordinated Response to Homelessness Symposium in Fall 2023 for City management and frontline staff to learn about the initiative, meet the HART team, and learn when and how to activate the HART team. This event was successful and created interest in additional training for other parts of the organization. Staff then produced three HART Activation orientations, one of which several Councilmembers attended. Additionally, staff presented at a Municipal Court staff meeting, a Kirkland Police Department's (KPD) supervisors meeting, and three KPD patrol shift briefings. Through this work, reference to the "HART team" is now commonly understood among City employees in every department and at all levels of the City.

Homelessness Webpage and FAQs

The landing page on the City's website has information about the City's response and direction for the community on how to notify the City of someone living unhoused who may be in need of help. Community members are encouraged to use the Our Kirkland portal to submit a report using the 'Homelessness Assistance and Response Team' tag. Submissions are then routed to the HART team to triage based on the unique expertise and resources of each HART team member.¹¹

Site Visits to Transitional Housing Programs:

- City of Vancouver's Safe Stay Transitional Housing Programs: A group of Kirkland staff, including the City Manager, visited the City of Vancouver, Washington, in Fall 2023 to learn more about their successful HART team and lessons learned from their multiple

¹¹ See www.kirklandwa.gov/homelessness for more information, including FAQs on the City's response.

'Safe Stay' temporary housing pallet home programs. Since 2021, the City of Vancouver has opened four Safe Stay communities, each outfitted with 20 two-person structures that offer safe shelter for up to 40 residents. A nonprofit operator provides 24/7 onsite management and services.

- Low Income Housing Institute Tiny House Village Tours with Council and Staff: Kirkland staff, including the City Manager, and Councilmembers visited two tiny house village sites in June 2024 to better understand how tiny house programs operate in the King County region. Participants visited one high acuity site serving individuals and couples and one site serving families, individuals, and couples. Another tour is scheduled for September 2024 with City staff.

New and Adapted Services in 2024

The CRT is piloting several new services and adaptations to existing programs in 2024 to fill identified gaps in the current homelessness response system. The gaps and responsive pilot programs are detailed below.

Expanded Homeless Outreach Flexible Funds: A flexible fund was established during the creation of the Homeless Outreach Program in April 2023, recognizing the essential component flex funds could provide the Homeless Outreach Coordinator in building relationships with unhoused residents and providing opportunities for addressing small barriers that can hinder a person's ability to access housing. The flex fund was expanded to include additional HART team members in Fire (Mobile Integrated Health team) and Police (Neighborhood Resource Officer) if criteria is met. A household must be experiencing homelessness and working with HART members on an identifiable goal. Staff must demonstrate pursuit of other resources available and/or leveraging existing resources before activating the fund. Staff are exploring vehicle repair as another eligible use of the fund.

Expanded Severe Weather Voucher Activation Criteria: Staff expanded criteria for considering activation of the severe weather voucher program based on regional criteria used by the King County Regional Homelessness Authority. The severe weather voucher program relies on a partnership between the City and a local hotel to provide time-limited hotel rooms to unhoused residents who don't have access to shelter during inclement cold weather. When the program is activated, hotel vouchers are distributed by the HOC, Police Officers, Firefighters, and Regional Crisis Responders. During Winter 2023-2024, the program provided six hotel vouchers for a total of 29 hotel night stays, allowing eight adults and two children to be brought inside from the cold. Total program costs for Winter 2023-2024 are \$4,486.25.

Hotel Set Aside Pilot Program: This pilot program provides designated hotel rooms for individuals, couples, and/or families who are unhoused and actively working with the HOC on an identifiable housing goal, with a plan to exit the hotel into stable housing. Designated hotel rooms provide a secure location when other temporary shelter options are not available or viable and offering these rooms provide the HOC with reliable access to participants to communicate and work on paperwork for placement into stable housing. In 2024, the City Manager allocated \$35,000 from Police Proposition 1 revenues specifically to this program.

Mail Services Pilot: The mail services pilot ensures that people experiencing homelessness in Kirkland have somewhere to receive mail, including documents required for housing applications, benefit enrollment paperwork, or information from DSHS and Social Security. Having a place to send important documents supports

participants' ability to work toward housing readiness. Participants must be actively working with the City's Homeless Outreach Coordinator (HOC) and not have another option to receive mail. Program participants will sign an acknowledgment form authorizing the HOC to receive mail on their behalf. Mail can include envelopes and packages that support access to basic needs or health-related items.

Sanitation Services Pilot Program: The Homeless Outreach Coordinator conducted a site visit survey in April 2024 to understand the challenges that vehicle residents living on 126th PI encounter in trying to legally dispose of trash or human waste. The survey asked what types of services residents would use if installed. Following this outreach and vehicle resident input, the City identified a temporary solution to address improper disposal of waste. In August 2024, the City installed a portable toilet, hand washing station, and enhanced garbage services, at the Cross Kirkland Corridor (CKC) and 128th Ln. Formal notices were provided to vehicle residents with details about the new service. The installation of these resources is intended for general community use, including both residents living in vehicles or RVs on 126th PI, and users of the Cross Kirkland Corridor. Staff will review how vehicle and RV residents, local businesses, and the general area are impacted by the additional sanitation resources in early 2025.

Shower and Laundry Services: Lake Washington United Methodist Church hosts a Safe Parking Program for women and families in Kirkland. LWUMC recently expanded its on-site facilities through acquisition of a shower and laundry trailer. The City entered into an agreement with LWUMC in August 2024, permitting the Homeless Outreach Coordinator to refer clients to local shower and laundry amenities. The City allocated \$10,000 through the end of 2026 to support access to this hygiene service.

Documenting Practices into Standard Operating Procedures

The CRT is also focused on creating a 'Homelessness Response' chapter in the City's Administrative Policy Manual, to document the City's expectations for addressing issues of homelessness. While much of this work is formalizing current practice into adopted policy, the process of documenting the actions staff take, and the reasons for those actions, often raises several policy questions. The CRT has approached these policies with the perspective of providing clarity and consistency for responding staff and to set the expectation that Kirkland takes a person-centered and compassionate approach to working with unhoused individuals.

Completed Standard Operating Procedures:

- Camp Clean Up: Actions staff take to clean up debris from an abandoned camp.
- Homeless Outreach Coverage & Responding to Reports of Unhoused Individuals: Actions staff take to ensure timely response to reports of unhoused individuals regardless of shifts or time away from the office.
- Expanded Homeless Outreach Program Flexible Funds: Criteria and process for HART to use funds for ad-hoc purchases to support clients.
- Coordinating Property Safekeeping: Criteria and process for temporarily storing property of unhoused individuals.
- Coordinating with WSDOT: Actions staff take to ensure sanitation of property in Kirkland that is owned or operated WSDOT.
- Homeless Outreach Transportation Policy and Procedure: Criteria and process for HOC to transport clients.

Draft Standard Operating Procedures:

- Notice to Vacate: Police actions to request an individual vacate an area.

- Mobile Residency: Actions staff take to support residents residing in vehicles in their stability goals and ensure safety and sanitation.
- Boat Residency: Actions staff take to support residents residing in boats and to enforce requirements that the City's marinas are not a place for safe habitation.
- Coordinating with King County Metro: Actions staff take to ensure sanitation of property in Kirkland owned or operated by King County Metro.

NEXT STEPS

Staff will return to a 2025 Council meeting with a draft Homelessness Continuum of Care Action Plan. In the meantime, should Council have any questions or thoughts for staff, they can be communicated to the City Manager and PCS Management Analyst.

ATTACHMENTS

Attachment 1 – Memo of Findings

Attachment 2 – Homeless Assistance and Response Team Continuum of Care Map

MEMORANDUM OF FINDINGS

EASTSIDE CITIES HOMELESSNESS COORDINATION

Prepared for: Cities of Bellevue, Kirkland and Redmond

Prepared by: Nancy LaCombe

Date: December 19, 2023

Introduction

The purpose of this memorandum is to provide documentation of the coordination of homelessness response between five Eastside cities and between cities and the King County Regional Homelessness Authority (KCRHA). This coordination took place between January 2022 and November 2023. KCRHA was set to approve a 5-Year Plan, Subregional Plans and desired to enter Interlocal Agreements (ILAs) with King County subregions prior to the end of 2022. However, due to the complexities of staffing a young organization and the variety of differences between the 39 local municipalities within King County, the timeline shifted over time. The 5-Year Plan was approved in June 2023, and some initial work began on Subregional Planning in late 2023.

Note that this memorandum references KCRHA's definitions of King County Subregions¹. While the East King subregion encompasses twelve cities² the three cities of Bellevue, Kirkland and Redmond contracted this work. Issaquah and Sammamish also participated in these discussions. In this memorandum "Eastside Cities" is reference to the five cities of Bellevue, Kirkland, Redmond, Issaquah and Sammamish.

There are several attachments to this document to aide in context framing and for future discussions. These attachments include:

- A. Eastside Cities Background
- B. KCRHA Background
- C. Shelter Programs on the Eastside
- D. Decision Making Models
- E. Draft Principles and Outcomes
- F. Draft ILA

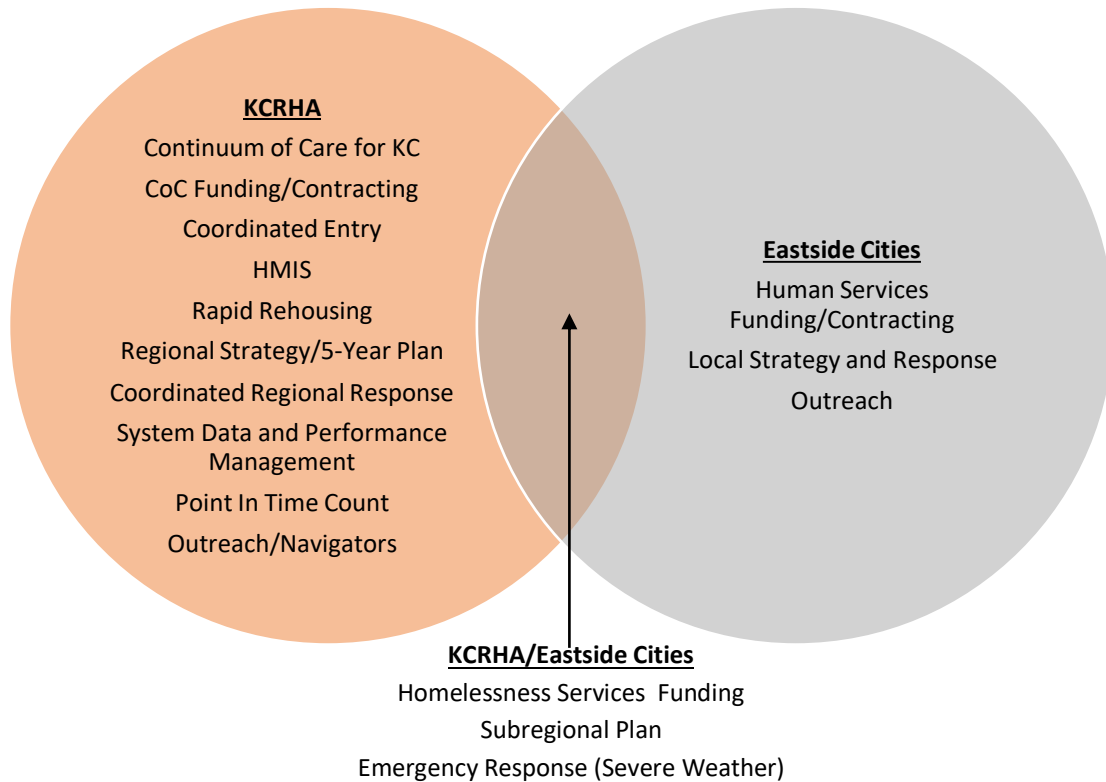
¹ King County Regional Homelessness Authority consider subregional areas to be: Seattle Metro (Seattle, Vashon-Maury Island); North King (Bothell, Cottage Lake, Kenmore, Lake Forest Park, Shoreline and Woodinville); East King (Beaux Arts Village, Bellevue, Clyde Hill, Hunts Point, Issaquah, Kirkland, Medina, Mercer Island, Redmond, Sammamish, Yarrow Point and Bear Creek-unincorporated); South King (Algona, Auburn, Burien, Des Moines, Federal Way, Kent, Newcastle, Normandy Park, Pacific, Renton, Seatac, Tukwila, East Federal Way-unincorporated, and Fairwood-unincorporated); South East King (Black Diamond, Covington, Enumclaw and Maple Valley); Snoqualmie Valley (Carnation, Duvall, Issaquah, North Bend, Snoqualmie, and Fall City-unincorporated); Urban Unincorporated (Skyway, White Center).

² The East King Subregion includes the twelve cities of Beaux Arts Village, Bellevue, Clyde Hill, Hunts Point, Issaquah, Kirkland, Medina, Mercer Island, Newcastle, Redmond, Sammamish and Yarrow Point and KCRHA also includes the unincorporated area of Bear Creek.

Background

Eastside cities have been working together for decades to leverage resources to fund Eastside shelters (see Attachment A for additional Eastside background). The cities of Bellevue, Kirkland and Redmond began meeting in 2018 to discuss potential shelter funding options when the women’s, men’s, youth and family shelters began the steps to move from weather-related, temporary rotating shelters to year-round, 24/7 permanent locations. Service providers on the Eastside rely heavily on city funding, with significant philanthropic and charitable donations. In late 2021 the interjurisdictional team of Bellevue, Issaquah, Kirkland, Redmond and Sammamish started meeting more formally to understand working relationships with each other and KCRHA and what changes the new organization may bring to the approach to regional homelessness (see Attachment B for additional KCRHA background). These work sessions also allowed the opportunity for the Eastside cities to share context, local nuances, and best practices with KCRHA, along with the opportunity for the Eastside cities to advocate together on development of KCRHA’s 5-Year Plan and Subregional Plans.

Figure 1. Understanding how the Eastside cities and KCRHA work overlaps.



The Eastside cities are dedicated to improvements in how the region addresses serving those unstably housed. The formation of KCRHA has allowed for additional opportunities to evaluate resources and systems in place locally and to look towards potential improvements to better serve not only the Eastside but the King County region. One agency focusing on homelessness could provide a deeper lens of fiscal stewardship.

COORDINATION/COLLABORATION WITH KCRHA

Staff from the Eastside cities collaborated with each other and with KCRHA staff to provide KCRHA with information, help KCRHA understand how the Eastside has worked together in their homelessness response and to better understand the scope and reach of all agencies. It should be noted that some of the elements noted below were discussed but require additional information and communication to reach consensus on a path forward. Information sharing and conversations included the following:

- Participation in regular staff coordination meetings between the five cities and KCRHA's Subregional Planning team.
- Information sharing with KCRHA regarding the Eastsides' collaborative efforts to date, along with the nuanced differences between the cities.
- Introductions to providers and tours of existing shelter facilities.
- Eastside city staff provided data and information regarding homeless shelter service providers (see Attachment C) and funding appropriations, including the various sources of funds each city taps into to provide funding to homeless shelters.
- Eastside city staff also provided funding and expenditure information obtained from homeless shelter service providers which indicate that Eastside homeless shelters rely heavily on city funding and private donations, in some cases about a half of a shelter providers program funding is derived from private foundations, fundraising, private and in-kind donations.
- Understanding homelessness programs and funding provided by Eastside cities that potentially fall within KCRHA's purview.
- Eastside city staff worked with KCRHA to review and discuss information collected to identify gaps in services and funding.
- City staff discussed and provided feedback on KCRHA's 5-Year Plan and Subregional Planning efforts.
- Coordination between Eastside cities of communications to respective city leadership and potential council engagement related to KCRHA and homelessness response.
- Worked together with KCRHA as a regional coordinator of emergency response for unhoused community members during severe weather, smoke or other incidents.
- City staff discussed several options for potential oversight body, these discussions did not permeate fully beyond the work group and will need additional discussion, city leadership and city council conversations (see Attachment D for models discussed).
- City staff developed a set of draft principles important to the Eastside as work continues with KCRHA and should conversations continue regarding a potential draft ILA between Eastside cities and KCRHA. These discussions did not permeate fully beyond the work group and will need additional discussion, city leadership and city council conversations (see Attachment E for Draft Principles).
- City staff reviewed the ILA the North King cities signed with KCRHA and discussed what additional elements would need to be included should East King cities determine they will enter an ILA with KRHA. A draft Eastside Subregion ILA, based on the North King ILA, was prepared. *This draft was created for discussion purposes and has not been vetted with city legal experts, nor has it been reviewed or discussed with city leadership and city councils (see Attachment F for Draft ILA).*

Complexities and Opportunities

The past two years have offered a glimpse into the complexities and opportunities facing not only the Eastside subregion, but the whole King County region, in addressing homelessness locally and regionally. Eastside city staff discussed the following existing complexities and potential opportunities (presented in no particular order):

Existing Complexities

- Different sized cities and budgets. City populations range from about 40,000 to 150,000, and biennial budgets vary from \$309 million to \$2.2 billion.
- There are more human service needs than can be addressed with individual or collective human services grant funding, leaving human service commissions and city councils with hard choices over available funds.
- Beyond human services grants, homeless services are funded from multiple funding sources (CDBG, MFTE, Prop 1, ARPA, Housing Stability)
- Funding decisions are made by Human Services Commissions. Homeless shelter grant appropriations, as a percentage of human service funding, vary by city, there is no set percentage of human services funding allocation to shelters or how much each program is awarded across all cities.
- Bellevue provides additional homeless services funding through their Housing Stability Funds (HB 1590).
- Only a portion of homelessness services funding provided by Eastside cities falls within KCRHA's purview (cities provide funding for mental health, homeless childcare, housing education and navigation).
- There is currently no formal local coordination across all jurisdictions. City staff do stay connected via a variety of meetings, but their coordination is ad-hoc, with no formal reporting or formal city leadership engagement. No lead person, agency or body provides coordination or accountability.
- There is no clear communication mechanism across the Eastside as a whole, no formal reporting, city leadership engagement, or formal ability to make recommendations to Sound Cities Association (SCA) representation on KCHRA boards and committees
- There has been a lack of community trust in KCRHA's ability to perform, making it challenging to discuss entering an ILA and turning city funds over to KCRHA to manage when the system the Eastside cities have in place, while not perfect, provides clear Eastside oversight.

Potential Opportunities

- Eastside cities can participate in a regional solution to regional issues.
- Improved coordination of services across the county and locally. A unified approach across the Eastside cities could provide significant benefit to those experiencing homelessness, homeless service providers, the community, city councils, the business and philanthropic community as well as to city staff.
- Simplified and efficient process of contracting, in line with city's budget RFP timelines, easing providers burden and workload in securing funding, and city workload in contract management.
- Consistent contracting and performance metrics across King County and tracking of service provide performance.

- Ability to coordinate, collaborate and identify best practices between outreach personnel across the county.
- The ability to monitor “infrastructure,” region wide policies/procedures, procurement process, etc. once they are in place and running smoothly.
- With service providers being responsible for providing updated budgets and expenditures to one agency, there is potential for a more collaborative approach to understanding a clear picture of the regional funding gaps and collectively working to fill those gaps.
- Develop a better understanding of the cost of services by demographic serviced and type of services.
- Telling regional story with consistent data, more cohesive public outreach and engagement.

Next Steps

Eastside city staff identified the following elements to be addressed across all five cities in the timelines noted below.

Immediate near future (within 6 months, by June 2024):

- Engage with business partner advocates to follow-up on meeting held pre-covid and provide and update regarding coordination with KCRHA.
- Gain alignment on next steps
- Discuss Eastside data collection/sharing opportunities. With the Eastside cities now all employing outreach personnel, coordination between cities should be more readily able to facilitate data sharing and a by-name list of those experiencing homelessness. Kirkland and Redmond have begun development of a joint database that should be implemented with all Eastside city’s participation.
- Establish cadence of structured coordination meetings among cities and with KCRHA.
- Engage with respective city leadership to clarify how city leadership and elected officials wish to proceed regarding the relationship between cities, with SCA representatives, and with KCRHA.
- Determine council engagement timeline and content.
- Determine feasibility of a dollar and/or percentage set-aside for 2025-2026 Human Services investments.
- Evaluate the impact of one-time homeless services funding dissolving.
- Work with KCRHA to inform the Easts King Subregional Plan.

Mid-Term (1 year after immediate, June 2024 – June 2025):

- Work to further improve group connections and solidify partnerships between cities.
- Monitor KCRHA progress on varied elements (subregional planning, system re-bid, funding allocations/payments, etc.).
- Clarify city staff relationship with business community in addressing potential funding gaps.
- Discuss timing of any potential ILA, between cities and KCRHA (pending discussions with city leadership and elected officials), including potential multi-step opportunities.
- Bring city leadership (CM/Mayors) together for continued discussion of coordinated homelessness response and work with KCRHA.
- With Bellevue indicating they no longer wish to manage pooled contracts, discuss next steps and how this relates to KCRHA and/or a potential ILA.

- Discuss overall system monitoring and reporting, provider budgets post-grant allocations to better identify funding gaps (since cities do not fully fund grant application requests).
- Facilitate equitable funding and what this may mean for cities and for Eastside providers, including linking potential private funders to support equitable grant funding.
- Monitor other subregions for ILA progress

Long-Term (beyond June 2025):

- Develop ILA, including potential multi-step opportunities, in partnership with city leadership and legal representatives, negotiate with KCRHA
- Expand provider capacity on the Eastside.

Additional elements that still need more discussion, consensus and determination on timing:

- Utilization of regular coordination meetings:
 - Between cities to keep lines of communication open; discuss needs, opportunities and lessons learned; and share a local voice regarding additional philanthropic opportunities.
 - With KCHRA to keep lines of communication open; ensure the Eastside's interests are incorporated into a regional solution; advocate for Eastside providers and needs; provide feedback on work KCRHA is performing; and discuss needs, opportunities and lessons learned.
 - With service providers to discuss needs, performance, trends and share lessons learned.
- Continue discussions with KCRHA regarding lifting Eastside lived experience voices, offering connections, creative engagement ideas and meeting Eastside individuals experiencing homelessness where they are.
- Additional discussion between cities, with their elected officials, with KCRHA and SCA to better understand communication structures and potential outcomes desired by all parties, and which avenue best addresses the needs of all parties.
- Understanding that only five of the twelve Eastside cities have been involved in this conversation to date, discuss how involvement from other seven cities may change any work to date, if at all.




Eastside Background: Homelessness Crisis Response and Coordination

Eastside cities have been coordinating a subregional response to a broad spectrum of human service needs since 1986. Eastside Human Services funding supports a full continuum of human service needs based on community needs assessments and strategic plans. However, limited individual city resources have required Eastside cities to manage a homelessness response across jurisdictional boundaries, leveraging subregional resources, coordinating efforts, and collectively advocating for Eastside shelter programs. Within the last 15 years Eastside cities have been aligned in funding homelessness crisis response, prevention and supportive services to make homelessness rare, brief and one time, providing shelter across demographics, and collaborated to increase capacity and resources for individuals experiencing homelessness. This has resulted in a significant expansion of homeless shelters, day centers and outreach services on the Eastside. Leveraging resources and working in partnership with Federal, State, County and private funders, faith communities and service providers the Eastside works to ensure individuals experiencing homelessness have a safe place to live and a path toward housing stability. Human services funding across all Eastside agencies includes best practices in funding services that extend beyond just specific episodes of homelessness and aim to help resolve crises, provide access to on-going support and basic safety net services.

- 1986: Bellevue and Kirkland first provided human services funding
- 2005: Seattle launches 10-year Plan to End Homelessness
- 2007: Bellevue man experiencing homelessness found deceased due to exposure
- 2008: Temporary emergency winter shelters (below 32°) provided for men, women, families and youth in a variety of faith-based communities, community centers and private properties
- 2009: Redmond adopted human services strategy
- 2009: EHAC begins meeting monthly
- 2012: ARCH member cities begin pursuing a strategy to site permanent shelters
- 2012: Redmond shelter for young adults (18-24)
- 2014: ARCH member cities mayors, city managers, city leadership agree to support providing permanent and dedicated emergency shelters (Bellevue-men's shelter, Kirkland-women's shelter, Redmond-young adult shelter)
- 2015: King County and Seattle declare homeless State of Emergency
- 2015: Bellevue provides city facility for men's temporary winter shelter
- 2017: Redmond adds Homelessness Outreach Specialist
- 2018: Kirkland purchases site for a permanent year-round, 24/7 shelter for women and families
- 2018: Interjurisdictional team focused on closing enhanced shelter funding gap
- 2019: Bellevue adds Homelessness Outreach Specialist
- 2019: Bellevue city-owned facility renovated to allow 24/7 year-round shelter for men
- 2019: King County Regional Homelessness Authority established
- 2020: Issaquah adds Homeless Outreach and Case Management contract services
- 2021: Issaquah creates Homeless Outreach Program to help inform the need in the community
- 2021: Kirkland adds contracted Homelessness Outreach Specialist
- 2022: Issaquah proposes an Emergency Housing Pilot project (anticipated to begin in 2023) as a direct response to the needs identified by the Homeless Outreach program

KCRHA Background

- In December 2019 the King County Regional Homelessness Authority (KCRHA) was established through an interlocal agreement (ILA) between King County and the City of Seattle, with the mission of significantly reducing homelessness and to create a unified homeless response system by consolidating policy making and funding, coordinated service delivery and adopting common performance measures across King County.
- The ILA between Seattle and King County specifies that within the first 18 months of operations, the Authority shall develop a Five-Year Plan, which includes subregional planning activities. While the timeline has shifted the 5-year plan was adopted in June 2023.
- King County and the City of Seattle funnel their existing homelessness funding through KCRHA, which includes significant federal resources under the US Department of Housing and Urban Development (HUD) Continuum of Care Program budgets.
- East King County receives HUD funding, now to be administered through KCRHA. The 5-year Plan will direct funding priorities for a system rebid, which is expected to occur something in 2024.
- Some King County funds historically have, and currently do, flow to shelter providers in the east, north and south subregions in addition to the bulk of funds being allocated to shelters in Seattle. These funds attribute to a small, but important portion of East King County’s homeless services program budgets (over the past several years this has ranged between about \$2.0-\$2.8 million).
- KCRHA’s focus is on specific aspects of homelessness, describing its role as the “emergency room” in a hospital. The following graphic represents what elements remain with King County and the City of Seattle and what elements fall withing KCRHA’s charge:

				
INFRASTRUCTURE	Housing Capital and Development	✓	✓	✗
	CoC Funded Programs	✗	✗	✓
	Shelter			✓
PROGRAMS	Diversion	✗	✗	✓
	Rapid Re-Housing	✗	✗	✓
	Coordinated Entry	✗	✗	✓
	HMIS	✗	✗	✓
OTHER SERVICES	Outreach	✓	✗	✓
	Encampment Cleans	✓	✓	✗
	Behavioral Health and Crisis Response	✓	✓	✗

- Per the ILA between Seattle and King County KCRHA is responsible for contracting related to the above services and has assumed responsibility for all existing County contracts.
- Service providers across the county, including those on the Eastside, signed new funding agreements with KCRHA. These agreements have maintained the previous contract and funding levels for much longer than anticipated.

- KCRHA's plans to rebid all contracts have been pushed out numerous times. It is anticipated the system rebid will occur sometime in 2024. Eastside service providers continue to work with KCHRA and cities to secure funding shortfalls arising from increases in funding needs due to extending 2019 funding levels through 2023.
- Although other cities are not parties to the ILA between Seattle and King County, and are therefore not direct funders of KCRHA, City residents financially contribute to the KCRHA through King County taxes. As of this memorandum, King County provides about 10 percent of KCRHA's locally based funding (excluding direct state, federal, and private funding [KCRHA - Financials](#)). Much of that money is from county taxes and fees paid by all residents of King County.
- To establish formal collaboration, decision-making and funding across the county, KCRHA's 5-year plan identifies the goal of additional ILAs with each subregion (rather than individual ILA's with all 39 cities in King County). North King signed an agreement with KCRHA in late 2022.

SHELTER PROGRAMS ON THE EASTSIDE

No one Eastside city has the resources to provide sheltering options across all demographics of those experiencing homelessness. For this reason, Eastside cities have worked together to leverage both financial and infrastructure resources. While the Eastside cities have been coordinating local services across jurisdictional boundaries, there are still limited services (such as behavioral health services), fewer providers in this subsector, and shelters are typically at capacity. As of 2023, the Eastside has a total of 357 emergency shelter units, of which 118 units are for families with children under 18. By comparison, Seattle has approximately 2,240 emergency shelter units.

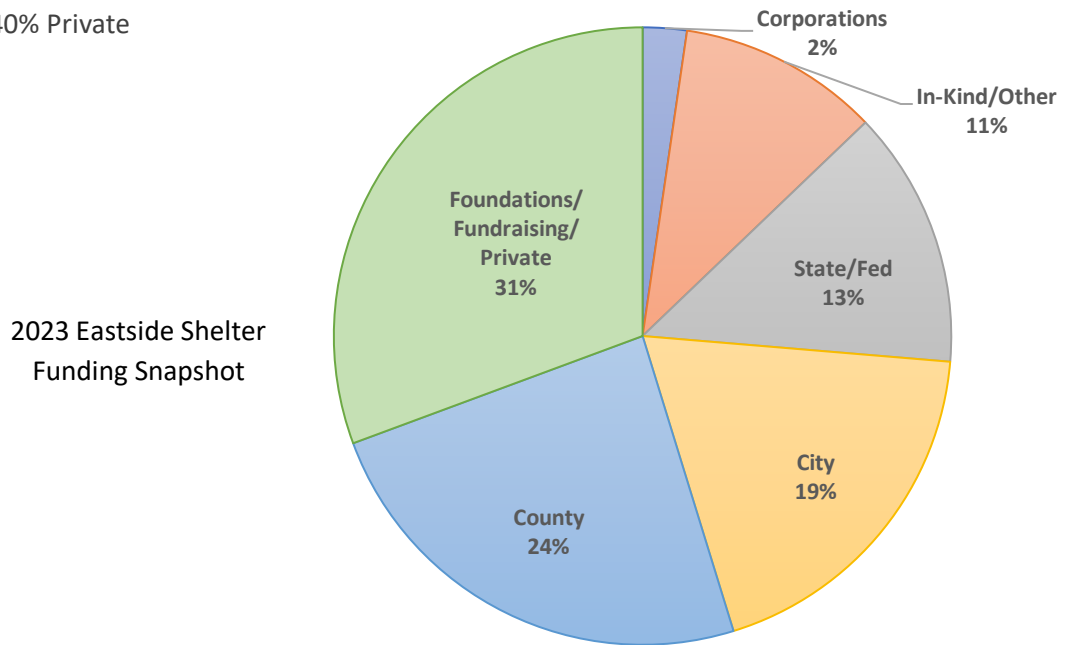
Eastside cities contribute a significant amount of funding toward addressing homelessness, collectively about \$14 million. In 2023 Eastside cities provided a total of about \$3.1 million in Human Services grants, through their coordinated 2-year human services grant cycle. There is a joint application and reporting platform utilized across jurisdictions. While Eastside cities have had long-term partnerships with some providers (Catholic Community Services, Friend of Youth, Porchlight – formerly Congregations for the Homeless, and The Sophia Way) the following table represents the programs providing homeless shelter and transitional housing across a variety of demographics and locations that received 2023-2024 grant allocations.

Program	Demographic Served	Location
Acres of Diamonds	Single Mothers	Duvall
Catholic Community Services New Bethlehem	Families	Kirkland
Porchlight (formerly Congregations for the Homeless) Enhanced Shelter	Single Adult Men	Bellevue
Porchlight (formerly CFH) Rotating Shelter	Single Adult Men	Bellevue
Friends of Youth - The Landing	Young Adults	Redmond
Friends of Youth - Youth Haven	Youth/Young Adults	Redmond
Friend of Youth - Transitional Living	Young Adults	Various
Hopelink Housing	Families	Various
Lifewire HSH Apartments	Domestic Violence Survivors	Various
Muslim Assoc of Puget Sound/Muslim Community Resource Center (MAPS/MCRC)	Single Adult Women	Redmond
Mary's Place	Women and Families	Bellevue
Reclaim (formerly Snoqualmie Valley Shelter Services)	Single Adult Men, Single Adult Women, Families	Snoqualmie, Issaquah
Sophia's Way - Helen's Place	Single Adult Women	Kirkland
Sophia's Way - Sophia's Place	Single Adult Women	Bellevue

It needs to be noted that the programs above constitute shelters and transitional housing on the Eastside. In many instances additional Human Services grant allocations, general fund or other appropriations are made to these, and other providers for behavior health, navigation and other support services. In addition, Bellevue awards funding through their Housing Stability Funds (HB 1590 revenue).

Historically, Eastside homeless shelter service providers that are allocated Humans Service Grant allocations receive about half of their funding from private donations (foundations, fundraising and private funds) and in-kind donations/services, and about half from government (city, state, federal). The past 5 years breaks down to:

- About 2-6% Corporations
- About 8-11% In-kind and other contributions
- About State 11-13%
- About 14-24% County
- About 18-20% Cities
- About 32-40% Private



Decision-Making and/or Advisory Board

Based on the amount of potential funding that could be managed by KRHA it may not necessarily be required to form a new decision-making body. However, there are several opportunities that could be addressed should Eastside cities and KCRHA formalize their relationship and commitments beyond maintaining relationships and discussions. This would include formal meeting structure and cadence, consistent attendees, Eastside role in KCRHA decisions and strategies, coordinated community engagement, formal feedback between Eastside cities, their elected bodies, providers and KCRHA.

It may be beneficial for KCRHA to manage the meeting process and coordinate across the Eastside cities. There is also potential to formalize the communication structure between Eastside cities and the Sound Cities Association (SCA) representatives on KCRHA Implementation Board and Governing Committee. This could provide continuity across subregions and reduce time commitments required from city staff.

While the existing Eastside Homeless Advisory Committee (EHAC) meets monthly it is not a formal decision-making body (lacking authority, published agendas, meeting minutes, consistent attendance, reporting to elected bodies, etc.). Not all jurisdictions and providers participate on a regular basis. It should be noted that there are currently fourteen programs (across ten organizations) funded through Eastside Human Services grants providing homeless shelter and transitional housing. It also needs to be noted that while five Eastside cities have been involved in these discussions, twelve cities make up the East King Subregion.

The following provides a few examples of decision-making and advisory bodies discussed between the cities. Additional discussion between cities, with their elected officials, with KCRHA and SCA is required to better understand the communication structure and potential outcomes desired by all parties and which avenue best addresses the needs of all parties.



More complex models were evaluated that included the following:



Subregional Principles and Outcomes

City staff developed principles specific to the Eastside they felt would be desirable in continued work with KCRHA. These principles and the work with KCRHA may or may not translate into an ILA as city councils' engagement is still necessary to understand the full depth of community concerns.

- *Acknowledgement that:*
 - Eastside cities and human services commissions have been working together for considerable time to ensure all populations of those experiencing homelessness are addressed on the Eastside and have historically provided significant resources toward homelessness and prevention of homelessness.
 - While Eastside cities have been collaborating across jurisdictional boundaries, each city has specific and unique needs.
 - Local homeless service levels need to be maintained and preferably enhanced across all demographics of those experiencing homelessness on the Eastside.
 - Should Eastside cities determine they will contribute funding for management by KCHRA, any local funding is to be returned directly to local service providers, ensuring Eastside services and populations continue to be served.
 - KCRHA will work with city staff regarding information, performance metrics, best practices, outcomes and data most useful to Eastside in addition to regional data.

- *Key factors for Eastside cities in establishing a more coordinated subregional approach and the annual KCRHA allocation to the subregion:*
 - Ability to continue working together across Eastside agencies, in a more formal manner
 - Coordinate council involvement – updates, opportunities to provide input
 - Coordinate with Sound Cities Association and KCRHA Governing Board representatives to elevate concerns

- *Important principles and outcomes Eastside cities wish to see from KCHRA as they allocate King County funding to shelters and other service providers across the county and on the Eastside*
 - Reduce unsheltered homelessness
 - Fund Eastside shelters at least at same proportionate level as others across the County
 - Provide real time availability of bed capacity for all shelters
 - Increase the percentage of the homeless population served by shelters and supportive housing, thereby decreasing percentage of unsheltered individuals on the Eastside
 - Create efficiencies and reduce redundancies for service providers
 - Enhance or at least maintain existing service levels on Eastside
 - Reduce the gap in Eastside shelter funding by helping to identify and leverage other funding sources (e.g., corporations) to close these gaps
 - Increase coordination across the region to address emerging needs and emergency funding gaps
 - Advocate for Eastside priorities, have representation on Request for Proposal (RFP) funding review panels that select service providers

- *Data that is important to Eastside cities and providers*
 - Provide accessible, timely information on regional and local homelessness statistics (numbers, sheltered, unsheltered, demographics, exits to housing, trends, etc.)
 - Provide information regarding regional approach; contractual agreements executed with whom, what populations served and where they are served; best practices; and potential policy and/or procedural changes
 - Identify gaps in service by users of system (i.e., those with lived experience and service providers)
 - Solicit on-going feedback from those with lived experience, ensuring that those with lived experience on the Eastside are included
 - Focus on outcomes, not just numbers (additional information in performance metrics below)

- *Performance metrics KCRHA should track county-wide and for each subregion*
 - Continued funding of Eastside services/populations
 - Pertaining to the homelessness statistics above show the trend in number of individuals needing service versus receiving services. Building off this, include number of beds, case management services, available services to participants, population served, etc.
 - Number of exits versus entries
 - Other types of services requested/needed
 - Opportunities to co-develop and/or inform the new performance metrics for contracted agencies
 - Opportunity to inform the Point-in-Time County or other “count” methodology, to improve localized data
 - In addition to number sheltered and number of days sheltered, what was the result? Housed? What services were received? Were goals set and reached (education, career, treatment, conditional housing)?

- *Additional Outcomes Eastside Cities Identified*
 - Simplify process to get into shelters, coordinate space between shelters
 - Improved operational efficiency, effectiveness and services to clients
 - Additional funds available to fully fund existing Eastside shelters
 - Guidance on best practices - cost of shelter, outreach, services implementing equality and anti-racism in services
 - Provide a holistic approach to homelessness
 - Development of community education tools - become a trusted source of information
 - Build pathways of engagement for those with lived experience and sustain efforts to keep engagement (e.g., stipends, transportation support, equipment to attend virtual meetings)
 - Standardize but look at specific needs of cities
 - Eastside input regarding PIT methodology and/or process for “counting” the need in EKC

DRAFT

NOTE:

1. This draft document was prepared from the existing ILA between KCRHA and the North King Subregion, with some additional Eastside focused additions.
2. This document was prepared to facilitate conversations between cities to more fully understand the context of previous agreements between other cities and KCRHA.
3. This document has not been vetted beyond city staff, nor has it been reviewed by respective city leadership, Eastside city legal counsel, or elected officials.
4. The items **highlighted** require additional information or verification.

AGREEMENT FOR HOMELESS SERVICES

THIS AGREEMENT FOR HOMELESS SERVICES (this “Agreement”) is effective as of **{insert date}** (the “Effective Date”) and is among the Cities of **{_____}** and **{_____}**, Washington, each a municipal corporation (each, a “Partner City” and together “Partner Cities”), and the KING COUNTY REGIONAL HOMELESSNESS AUTHORITY (the “Authority”), an independent governmental administrative agency formed pursuant to RCW 39.34.030(3). The Partner Cities and the Authority are referred to herein individually as a “Party” and collectively, the “Parties.”

RECITALS

WHEREAS, the Authority was formed pursuant to the Interlocal Agreement for the Establishment of the King County Regional Homelessness Authority (the “Authority Interlocal Agreement”) by The City of Seattle and King County as an independent governmental agency pursuant to chapter 39.34 RCW in order to coordinate the provision of services within an equitable operational framework to individuals and families experiencing homelessness or at imminent risk of experiencing homelessness in King County; and

WHEREAS, homelessness is a regional crisis requiring local governments, nonprofits, partners and stakeholders to work together through cooperative action; and

WHEREAS, pursuant to the Interlocal Agreement, the Authority may enter into contracts with one or more Subscribing Agencies (as defined in the Interlocal Agreement) for the provision of Homeless Services (as defined in the Interlocal Agreement) subject to the conditions set forth therein; and

WHEREAS, the Partner Cities have been coordinating a subregional response to a broad spectrum of human service needs since 1986, and within the last 15 years have collaborated to increase capacity and resources for individuals experiencing homelessness; and

WHEREAS, the Partner Cities have leveraged their resources for subregional solutions to work in partnership with King County, service providers and the faith communities to assist in preventing loss of

housing if possible, and should individuals become unhoused, ensure services are available and the occurrence is brief; and

WHEREAS, only a portion of Partner Cities funding allocations toward homeless services can be transferred to the Authority for distribution; and

WHEREAS, the Parties now desire to coordinate efforts to address homelessness in the east King County subregion where the Partner Cities are located pursuant to the terms of this Agreement.

NOW, THEREFORE, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

Terms defined in the recitals of this Agreement are incorporated herein as if fully set forth in this Agreement. Capitalized terms used herein shall have the following meanings. Terms not otherwise defined herein shall have the meanings set forth in the Interlocal Agreement, a copy of which is attached hereto as **Exhibit C**:

"Agreement" means this Agreement between the Partner Cities and the Authority for Homeless Services to be provided by the Authority, as it may be amended from time to time.

"Authority" means the King County Regional Homelessness Authority formed by The City of Seattle and King County as a separate governmental administrative agency pursuant to the Interlocal Agreement and RCW 39.34.030(3).

"Customers" means individuals and families experiencing homelessness or who are at imminent risk of experiencing homelessness.

"Effective Date" means the date this Agreement becomes effective between the Parties, which is identified above.

"Homeless Services" or "Services" means shelters, day centers, hygiene facilities, housing, and related services to assist Customers to be provided by the Authority under the terms of this Agreement, as set forth in Exhibit A.

"Initial Term" means the initial four-year term of this Agreement, as identified in Article II, Section 2.

"Interlocal Agreement" means the agreement between The City of Seattle and King County establishing the King County Regional Homelessness Authority, dated December 16, 2019, as it may be amended from time to time, and incorporated herein as Exhibit C.

“East King County Subregion” consists of the jurisdictional boundaries of the cities of Beaux Arts Village, Bellevue, Clyde Hill, Hunts Point, Issaquah, Kirkland, Medina, Mercer Island, Newcastle, Redmond, Sammamish and Yarrow Point.

“Partner Cities” consist of the jurisdictional boundaries of Bellevue, Issaquah, Kirkland, Redmond and Sammamish. Other East King Cities may be added to this Agreement.

“RCW” means the Revised Code of Washington.

“Resources” means those funds, in kind services or other considerations provided by an entity, including a Partner City, to support the operation of the Authority or the provision of Homeless Services. The Resources to be provided by each Partner City under the term of this Agreement as consideration for the Services to be delivered hereunder are included in **Exhibit B**.

“State” means the State of Washington.

ARTICLE II PURPOSE; TERM

Section 1. Purpose. The purpose of this Agreement is to set forth the terms related to the Services to be provided by the Authority to customers in the jurisdictional boundaries of the Partner Cities, and the terms and conditions of each Partner City’s funding and/or other Resources in exchange for such Services.

Section 2. Term. This Agreement shall begin on the Effective Date and end four years from the Effective Date () (the “Initial Term”), unless terminated earlier or extended as provided herein. After the Initial Term, this Agreement shall automatically renew each December 31 for one-year extensions, unless terminated earlier or extended as provided herein.

ARTICLE III AUTHORITY RESPONSIBILITIES

Section 1. Authority’s Responsibilities. Subject to the terms of this Agreement, the Authority hereby agrees to operate a unified, regional homelessness response system and to provide Services to, or on behalf of, the Partner Cities in support of its mission to significantly decrease homelessness throughout King County pursuant to the Interlocal Agreement. The Services to be provided by the Authority to, or on behalf of, the Partner Cities to customers under the term of this Agreement are more fully described in **Exhibit A** (the “Services”) and may be modified by the Parties hereto from time to time to reflect then-current levels of Resources.

Section 2. Notice Affecting Performance. The Authority shall promptly notify the Partner Cities in writing of any matters that could adversely affect the Authority’s ability or eligibility to continue to perform services under this Agreement.

**ARTICLE IV
PARTNER CITY RESPONSIBILITIES**

Section 1. Consideration and Resources. In consideration of the Authority’s commitment to provide Services under this Agreement, each Partner City agrees to provide the Resources to the Authority. Such Resources shall be as set forth in **Exhibit B** attached hereto. Exhibit B may be updated from time to time to reflect updated Resources to be provided under this Agreement.

Section 2. Requirements Applicable to Funds. The Resources granted to the Authority under this Agreement may consist of a combination of Partner City, State, local and/or federal funding, and the Authority agrees to comply with the requirements applicable to each source of funds.

Section 3. Eastside Coordination. Each Partner City agrees to meet monthly to facilitate coordination across the East King region.

**ARTICLE V
DOCUMENTATION OF COSTS; RECORDS; REPORTING**

Section 1. Documentation of Costs. The Authority shall document all costs incurred in providing Services under this Agreement with properly executed payrolls, time records, invoices, vouchers, records of service delivery, or other official documentation evidencing in sufficient detail the nature and reasonableness of such costs. All payroll and financial records pertaining to any third-party contracts funded by a Partner City shall be clearly identified and readily accessible for review by the Partner City.

Section 2. Maintenance of Records. The Authority shall maintain accounts and records, including personnel, property, financial, and programmatic records, records of the Services provided under this Agreement, and other such records deemed necessary by the Partner Cities to ensure proper accounting for all Partner City funds, to ensure and compliance with this Agreement. Such records shall be retained as required by the Preservation and Destruction of Public Records Act, chapter 40.14 RCW, for a period of at least six years from the expiration of the Term of this Agreement; provided, however, that for any records and documents that are the subject of audit findings, those records shall be maintained for either (a) six years following expiration of this Agreement or (b) until the audit findings are resolved, whichever is longer.

Section 3. Reporting. During the term of this Agreement, the Authority shall provide an **annual/quarterly(?)** report to each Partner City (which shall include a presentation to the Partner City’s city council and, upon request, a written report from the Authority). Such report shall include information and data specific to the East King County Subregion from **Homeless Management Information System (“HMIS”)**, east King County planning activities of the Authority and partner agencies, and progress on funding administration and outcomes. Reporting should include, but not be limited to:

- Local and regional statistics, such as numbers, sheltered, unsheltered, demographics, exits to housing, number of exists versus entries
- Trend in number of individuals needing services versus receiving services
- Number of beds, case management services, available services to participants, population served, etc.
- Information regarding regional contractual agreements executed with whom, populations served and where they are served

Additional reporting and city council briefings will be available by request.

ARTICLE VI COMPLIANCE WITH LAW

Section 1. General Requirement. The Parties hereto shall comply with all applicable laws of the United States, the State, and the Partner Cities; and the Interlocal Agreement, when carrying out the terms of this Agreement.

Section 2. Inventory and Property. Any property, equipment and furnishings for the operations of the Authority shall be acquired by the Authority as provided by law, including any applicable federal laws. If a Partner City furnishes property, equipment or furnishings for the Authority's use, title to the same shall remain with the Partner City unless that property, equipment or furnishings is acquired by the Authority.

ARTICLE VII INDEMNIFICATION AND INSURANCE

Section 1. Indemnification. To the maximum extent permitted by law, each Party shall hold harmless, defend, and indemnify the other Parties, their elected officials, officers, employees, agents, and volunteers from and against any and all suits, actions, claims, liability, damages, judgments, costs and expenses (including reasonable attorney's fees) that result from or arise out of the negligent or intentional acts or omissions of such indemnifying Party, its elected officials, officers, employees, agents, contractors and volunteers in connection with or incidental to the performance or non-performance of such Party's services, duties, and obligations under this Agreement. In the event that the negligent or intentional acts or omissions of the officials, officers, agents, employees, and/or volunteers of two or more Parties in connection with or incidental to the performance or non-performance of the such Party's respective services, duties, and obligations under this Agreement are the subject of any liability claims by a third party, each such Party shall be liable for its proportionate concurrent actions or omissions in any resulting suits, actions, claims, liability, damages, judgments, costs and expenses and for their own attorney's fees. Nothing contained in this Agreement shall be construed to create a right in any third party to indemnification or defense. Each Party waives, as to each other only, their immunity from suit under Washington's Industrial Insurance Act, Title 51 RCW, solely to the extent necessary to provide each

other with a full and complete indemnity from any claims made by the other Party's employees. This waiver of immunity was mutually negotiated by the Parties hereto.

Section 2. Mandatory Disclaimer. The Authority is an independent governmental agency created pursuant to an Interlocal Agreement between King County and the City of Seattle pursuant to RCW 39.34.030. All liabilities incurred by the Authority shall be satisfied exclusively from the assets and properties of the Authority and no creditor or other person shall have any right of action against King County, the City of Seattle, or any other public or private entity or agency on account of any debts, obligations, or liabilities of the Authority unless explicitly agreed to in writing by such entity or agency.

Section 3. Insurance. The Authority and each Partner City shall provide each other with evidence of insurance coverage, in the form of a certificate or other competent evidence from an insurance provider, insurance pool, or of self-insurance. Each Party shall provide to the other Party at least 30 days advance notice of any cancellation, suspension or material change in coverage.

ARTICLE VIII WITHDRAWAL AND TERMINATION

Section 1. Withdrawal. Any Partner City may withdraw from this Agreement by giving written notice of its intention to withdraw by [REDACTED] to the Authority and the other Parties. The effective date of any withdrawal shall be no earlier than December 31, 20XX. Thereafter, any Partner City may withdraw from this Agreement by giving written notice of its intention to withdraw by September 30 in any year to the Authority and the other Parties. The effective date of any such withdrawal shall be no earlier than December 31 in the same calendar year.

Section 2. Suspension, Modification and Termination. This Agreement may be terminated in accordance with this Section.

a. **Loss of Funding.** In the event any federal, State or local funds allocated to or by a Partner City for Services contracted for under this Agreement are or become unavailable, the Partner City will suspend without recourse the Authority's obligation to render the related Services under this Agreement and the Partner City's obligation to pay for such Services, by providing 90 days prior written notice to the Authority as provided herein, specifying the effective period of such suspension, or by modifying the applicable Exhibits to this Agreement to reflect such loss of funding and corresponding modification to Services to be provided.

b. **Termination of Interlocal Agreement.** In the event The City of Seattle and King County elect to terminate the Interlocal Agreement, this Agreement shall terminate as of the date of termination of the Interlocal Agreement. Upon notification of intent to terminate, the Authority will notify the Parties of termination of this agreement within 10 days.

Section 2. Effect of Termination, Expiration or Withdrawal.

a. Return of Unused Funds. Upon termination or expiration of this Agreement, the Parties shall coordinate the return of any disbursed and unused funds back to each Partner City. Upon withdrawal of a Partner City to this Agreement, the Parties shall coordinate the return of any disbursed and unused funds back to such Partner City. Costs incurred by the Authority for provision of Services prior to the date of termination, expiration or withdrawal shall be considered used funds for purposes of this subsection.

b. Coordination of Contracts. Upon termination, expiration or withdrawal of this Agreement, all existing contracts funded with Partner City funds pursuant to this Agreement shall be either assigned to the Partner City or terminated, to be determined by the applicable Partner City in its sole discretion. The Authority shall include in all contracts for Homeless Services under this Agreement terms that are in accord with this section, including but not limited to the ability to assign such contracts to the Partner City. No more than 60 days after notice of termination of the Interlocal Agreement between The City of Seattle and King County, the Authority shall provide each Partner City with a current list of contracts funded by the Partner City, together with the total contract value, the contract term, the source of funding for each such contract, and any additional information requested by the Partner City. The Parties shall work together and, to the extent necessary, in consultation with King County to coordinate the assignment and termination of all such contracts on or prior to termination of this Agreement.

c. Notification to Contract Holders. Upon notice of termination, expiration or withdrawal, the Authority shall promptly notify the Contract Holders of such termination, expiration or withdrawal, and of the intended assignment of the Contract Holder’s contract to the Partner City or intended contract termination date.

**ARTICLE IX
MISCELLANEOUS**

Section 1. Notice to the Parties. Any formal notice or communication required to be given under this Agreement shall be deemed properly given if delivered either by physical or electronic means (to email addresses designated by the Parties from time to time), or if mailed postage prepaid and addressed to:

If to [_____]:
[Notice Address]

If to [_____]:
[Notice Address]

If to the Authority:

King County Regional Homelessness Authority
Attn: Helen Howell
400 Yesler Way, Ste. 600
Seattle, Washington 98004
Email: hellen.howell@kcrha.org

Each Party may update its notice information by providing written notice to the other Party.

Section 2. Representatives. The individuals listed above are designated as representatives of the respective Parties. The representatives shall be responsible for administration of this Agreement and for coordinating and monitoring performance under this Agreement. In the event such representatives are changed, the Party making the change shall notify the other Parties.

Section 3. Amendments to Agreement. No additions to or alterations of the terms of this Agreement shall be valid unless made in writing and executed by duly authorized agents of each Party. The Parties acknowledge that amendments to this Agreement may be necessary to ensure the provision of services by the Authority aligns with the principles set forth in the Interlocal Agreement.

Section 4. Governing Law; Venue. This Agreement shall be governed by and interpreted in accordance with the laws of the State. Venue for any action brought under this Agreement shall be in the Superior Court for King County.

Section 5. Contractual Relationship. The relationship of the Authority to the Partner Cities shall be that of an independent contractor, and the Authority agrees that no employee of the Authority shall be deemed or claimed to be an employee of the Partner Cities for any purpose. This Agreement does not authorize the Authority to act as agent or legal representative of any Partner City for any purpose whatsoever. The Authority is not granted any express or implied right or authority to assume or create any obligation or responsibility on behalf of or in the name of a Partner City or to bind a Partner City in any manner whatsoever. This Agreement is to facilitate the provision of Services. No joint venture, separate administrative or governmental entity, or partnership is formed as a result of this Agreement.

Section 6. Integration. This Agreement, together with all Exhibits hereto, contains all of the terms and conditions agreed upon by the Parties relating to the subject matter of this Agreement. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the Parties.

Section 7. Severability. In the event any provision of this Agreement shall be declared by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

Section 8. No Third-Party Beneficiary Rights. The provisions of this Agreement are for the sole benefit of the Parties, and they will not be construed as conferring any rights to any third party (including any third-party beneficiary rights).

Section 9. Waiver. No covenant, term, or condition or breach thereof shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition. Neither the acceptance by a Partner City of any performance by the Authority after the time the same shall have become due nor payment to the Authority shall constitute a waiver by the Partner City of the breach or default of any covenant, term, or condition unless otherwise expressly agreed to by the Partner City in writing.

Section 10. Assignment. This Agreement may not be transferred or assigned by the Parties without the prior written consent of the other Parties, which may be withheld in such Party's sole discretion.

Section 11. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original, and together such counterparts will constitute one and the same instrument.

Section 12. Negotiated Agreement. The Parties acknowledge that this is a negotiated agreement, that they have had the opportunity to have this Agreement reviewed by their respective legal counsel, and that the terms and conditions of this Agreement are not to be construed against any Party on the basis of such Party's draftsmanship of this Agreement.

Section 13. Conflict with Interlocal Agreement. In the event of a conflict between this Agreement and the Interlocal Agreement, the terms of the Interlocal Agreement shall prevail.

Section 14. Additional Parties. Municipalities, local governments and public agencies within the region in which the other Parties are located may become a Party to this Agreement on execution of an addendum or amendment to this Agreement; provided, however, such new Party shall provide Resources to the Authority as consideration for the Services to be delivered hereunder.

[Signature Pages Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement by having their representatives affix their signatures below.

KING COUNTY REGIONAL HOMELESSNESS AUTHORITY, a Washington governmental administrative agency

By:

Name:

Title:

Date:

[PARTNER CITY]

By:

Name:

Title:

Date:

DRAFT - For Discussion Only

EXHIBIT A SERVICE

As the single regional entity responsible for coordinating the homelessness response within King County, the Authority shall seek to significantly decrease the incidence of homelessness throughout King County in accordance with the guiding principles established by Article IV, Section 3 of the Interlocal Agreement. To achieve this mission, the Authority shall support, create, and implement solutions to homelessness in the boundaries of the Partner Cities by providing leadership, advocacy, planning and management of program funding.

Services to be provided by the Authority to the Partner Cities shall include:

- For the 20XX-XX budget cycle, the funding awards made by Partner Cities' respective city councils will be honored and maintained in amounts as described in Exhibit B; beginning [REDACTED], the Authority shall be responsible for the administration and oversight of the applicable service contract. The Partner City shall take such steps as necessary to assign such responsibility to the Authority.
- The Authority will provide a funding contribution recommendation informed by HMIS data and subregional planning efforts to make informed recommendations based on needs of East King County residents.
- The Authority will provide funding equitably across King County and fund Eastside shelter services at the same proportionate level as others across the County.
- The Authority shall convene the Partner Cities Human Services managers on a quarterly basis, or more frequently if needed, to address emergent issues, coordinate funding allocations related to homeless services, and maintain clear communication across the Parties.
- The Authority shall ensure Partner Cities have a role in the funding decisions made by the Authority in alignment with subregional planning activities to ensure residents in all Partner Cities have access to services needed.
- All funding contributed by Partner Cities pursuant to this Agreement shall be distributed by the Authority for the provision of Services. The Authority shall not retain any portion of those funds as fee for administering its responsibilities under this Agreement.
- The Authority shall maintain or enhance existing homeless service levels in the East King County Subregion such that existing bed-night capacity is maintained or increased.

- The Authority shall solicit the voices of those with lived experience within the East King Subregion.
- The Authority shall identify gaps in services by users of the system in the East King Subregion (i.e., those with lived experience and service providers).
- Allowable expenditures in furtherance of maintaining investment in the East King County Subregion, all dollars pooled within the East King County Subregion under the terms of this Agreement shall only be utilized for Services provided at a physical location within the East King County subregion or have been determined to be a program acceptable to the Partner Cities that is serving East King County Subregion residents.
- The Authority shall work in coordination with Partner Cities to identify emergent issues, reporting metrics, city council update frequency and content, and any additional service needs.
- The Authority shall ensure service providers are provided grant funding in a timely manner.

DRAFT - For Discussion Only

EXHIBIT B
FUNDING AND PAYMENT/RESOURCES

The Partner Cities agree to provide Resources to the Authority in exchange for Homeless Services under the terms of this Agreement. Throughout this Agreement, the contribution amount will be determined as described below. Each Partner City shall include its respective contribution in its budget for consideration by its city council for approval.

For the 20XX – 20XX budget cycle:

- Partner Cities have historically funded homelessness response organizations and have issued requests for proposals for this budget cycle to maintain their investment amount.

For 20XX – 20XX budget cycle:

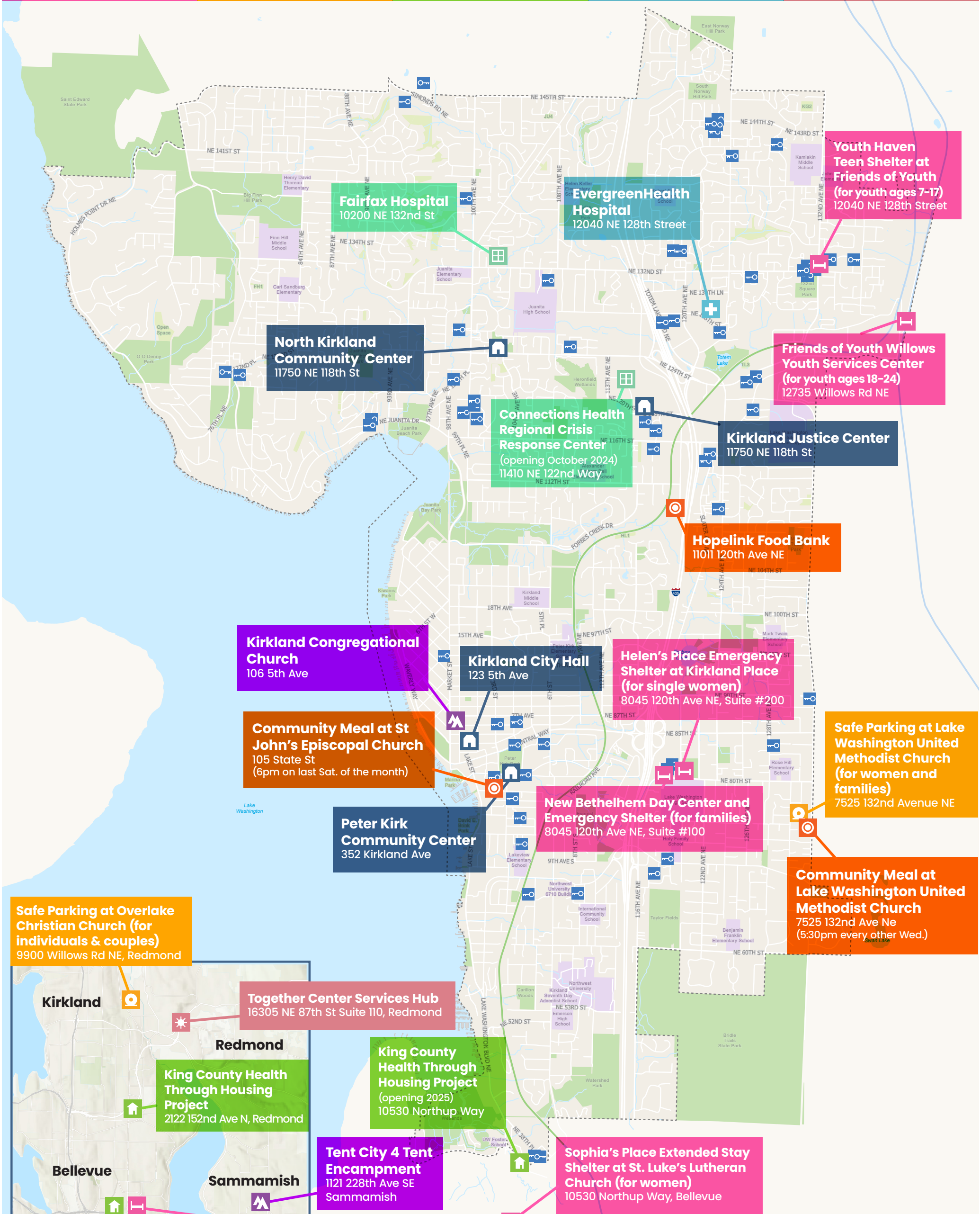
- Each Partner City shall provide a funding allocation reserved for the Authority at approximate levels previously set in Human Services funding in prior years. (Eastside does not afford a rate across the board per capita, % GF, or % HS fund due to the varying sizes and set asides by Eastside cities) with the opportunity for its city council to allocate additional funding to the Authority.
- The Partner Cities shall convene a monthly meeting of Human Service managers to address emergent issues, coordinate funding allocations related to homeless services, and maintain clear communication across Partner Cities.
- Partner Cities shall work in coordination with the Authority to identify emergent issues, reporting metrics, city council update frequency and content, and any additional service needs.

This Agreement does not preclude any Partner City from allocating funding for homeless services separate and apart from this Agreement. If a Partner City decides to allocate such funding, the Partner City shall first consult with the Authority so as to align the provision of these services with the Authority's East King County Subregion planning. Provided that the allocation of funding is at the sole discretion of the Partner City and the Authority's consent or agreement is not required before an allocation may be made.



HOMELESS ASSISTANCE & RESPONSE TEAM CONTINUUM OF CARE MAP

City Facilities 🏠	Permitted Designated Encampments 📍	Affordable Housing Projects 🔑	Behavioral Health Care 🏠	Food 🍽️
Emergency Shelters 🛏️	Safe Parking 📍	Permanent Supportive Housing 🏠	Medical Health Care ⚕️	Services Hub 🌟



Learn More at: KirklandWA.gov/Homelessness



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MEMORANDUM

To: Kurt Triplett, City Manager

From: Darcey Eilers, City Attorney
Bob Sterbank, Foster Garvey

Date: October 11, 2024

Subject: **Evaluation of the Current Legal Climate Related to Homelessness**

RECOMMENDATION:

Staff recommends that the City Council reviews the analysis below, which discusses recent and anticipated developments in the law related to municipal authority to address homelessness. This information is provided as background for Council policy conversations and direction related to the City's response to homelessness.

EXECUTIVE SUMMARY

- There have been recent court decisions that have had the general effect of restoring local government authority and ability to enforce generally applicable ordinances prohibiting camping on public property.
- In *City of Grants Pass v. Johnson*, the United States Supreme Court rejected the 9th Circuit Court of Appeals' Eighth Amendment analysis of *Martin v. Boise*, which previously required local governments to ensure the availability of shelter before taking action to remove homeless encampments or otherwise enforce prohibitions against public camping.
- In *Potter v. Lacey*, the Washington Supreme Court held that there is no intra-state "right to travel" that would guarantee an individual's right to camp and live for free in an RV or camper on public property or rights-of-way.
- Additional litigation is actively occurring or anticipated to occur based on different alleged constitutional violations; several cases are already pending in Washington State courts.
- Legislation is expected to be introduced during the 2025 Washington legislative session that would significantly limit local governments' ability to address issues related to homelessness.

BACKGROUND:

On June 4, 2024, the City Council adopted [Resolution R-5631](#), declaring the City's commitment to addressing homelessness through a person-centered approach and authorizing the City Manager to develop a homelessness continuum of care action plan for new policies, programs, and services that prevent and respond to unsheltered homelessness in Kirkland.

DISCUSSION/ANALYSIS:

The memorandum covers recent decisions from the United States and Washington Supreme Courts, federal district courts in Washington and California, and Washington appellate and

superior courts, as well as pending and anticipated new cases. This memorandum also briefly summarizes local laws relating to issues of homelessness, recent legislative and enforcement actions by Washington State and cities, and state legislation related to homelessness that is anticipated to be introduced in the 2025 legislative session.

United States Supreme Court Decision in *City of Grants Pass v. Johnson*

For years, the cities in Washington State have been restricted in enforcement efforts against those camping on public property. This was because of a Ninth Circuit case, *Martin v. Boise*, 920 F.3d 584 (9th Cir. 2019), which held that municipalities may not impose criminal sanctions against people experiencing homelessness for camping on public property without offering adequate, alternative, and available shelter.

Martin was based on a United States Supreme Court case, *Robinson v. California*, 370 U.S. 660 (1962), which held that Cruel and Unusual Punishments Clause barred California from enforcing a law that made the “status” of narcotic addiction a criminal offense. The Eighth Amendment’s texts states, “Excessive bail shall not be required, nor excessive fines imposed, nor cruel and unusual punishments inflicted.”

Analogizing to *Robinson* and subsequent cases, the *Martin* court held that “the Eighth Amendment prohibits the imposition of criminal penalties for sitting, sleeping, or lying outside on public property for homeless individuals who cannot obtain shelter.” *Martin*, 920 F.3d at 616-17. This was because, the *Martin* court held, even if sitting, lying, and sleeping are defined as acts or conduct, they are essentially “involuntary and inseparable from status” because human beings are “biologically compelled” to engage in those acts. *Id.* And, as a result, just as the state may not criminalize the state of being “homeless in public places,” the state may not “criminalize conduct that is an unavoidable consequence of being homeless — namely sitting, lying, or sleeping on the streets.” *Id.*

Then, the Ninth Circuit extended the reasoning in *Martin* in *Grants Pass v. Johnson*, 72 F.4th 868, 890 (9th Cir. 2023). Like many cities, Grants Pass had adopted an ordinance banning sleeping on public sidewalks, streets, or alleyways, or camping on city property or parking overnight in city parks. Camping was defined as “occupying a campsite,” with “campsite” further defined as any place where bedding, sleeping bag, or other material used for bedding purposes, or any stove or fire, is placed. Initial violations of the ordinance could trigger fines, but multiple violations could result in jail time. Persons found to violate the ordinances multiple times could also be barred from all City property. If later found on City property after receiving an exclusion order, those individuals could be subject to criminal prosecution for trespass.

The Ninth Circuit determined that, as in *Martin*, the Grants Pass anti-camping ordinance violated the Eighth Amendment’s ban on “cruel and unusual punishment” because there was insufficient shelter space. The Ninth Circuit determined that levying fines on someone through civil infractions for engaging in the unavoidable, biological, life-sustaining acts of sleeping and resting while also trying to stay warm and dry, who very likely does not have enough money to obtain shelter, is excessive punishment. This case was then appealed to the United States Supreme Court.

In late June 2024, the United States Supreme Court issued its decision in *City of Grants Pass v. Johnson*, 144 S.Ct. 2202 (June 28, 2024), rejecting the 9th Circuit’s *Martin*-based approach. The Supreme Court’s decision reversed the judicial limitations previously imposed by the Ninth Circuit that required any city attempting to enforce a ban on public camping to first ensure the availability of sufficient shelter beds. Analyzing the text of the Eighth Amendment, the Court noted that while other constitutional amendments focus on *what* may be criminalized and the process by which a government may seek convictions, the Eighth Amendment concerns the “method or kind of

punishment,” not whether certain acts should be punished. 144 S.Ct. at 2015. The Court noted that the combination of civil fines and possible jail time punishments in the Grants Pass ordinance were not “cruel” because they were not designed to inflict “terror, pain, or disgrace”; they were also not “unusual” because similar punishments have been and remain a usual and common mode for punishing offenses. *Id.* at 2216. The Court also determined that the Grants Pass anti-camping ordinance did not penalize status but instead punished conduct. *Id.* at 2218.

The Supreme Court’s *Grants Pass* decision does not mandate any action by local governments. Instead, it enables cities to exercise their more typical legal discretion to enforce anti-camping or anti-sleeping ordinances. Issuance of citations, trespass letters, or arrests for violations of local laws may now be used as a tool to address camping in where there is a threat to public health or safety, or when other solutions are not working. In Kirkland, these enforcement mechanisms will be used as an additional tool when appropriate while continuing to apply a human-centered approach to addressing homelessness.

Washington Supreme Court: *Potter v. City of Lacey*

Shortly after the United States Supreme Court’s decision in *Grants Pass*, Seattle-area homeless advocates publicly announced that multiple additional lawsuits and causes of action were “teed up” and ready for filing. National homeless activists made similar statements, identifying additional potential causes of action, including potential violations of a claimed state constitutional “right to travel”; the “right to privacy” (applied to people sleeping in tents, and requiring a warrant); and “necessity and justification” defenses in criminal trials.

Some of these claims were already pending in Washington State. In one case, *Potter v. City of Lacey*, ___ Wn.2d ___, 550 P.3d 1037 (July 3, 2024), the Washington Supreme Court issued its ruling only a week after *Grants Pass*, rejecting the claimed existence of an intrastate “right to travel” under the Washington State Constitution.

The *Potter* case was based upon a City of Lacey ordinance that prohibits parking on City streets or in public parking lots (including City Hall) for more than 4 hours, except for loading/unloading or with a permit. Permits could be obtained by City residents for guests for up to 48 hours; non-residents could obtain permits for only 12 hours and had to provide information regarding the vehicle and any occupants. Potter sued Lacey, raising both federal as well as state constitutional claims, after the City ordered Potter off the Lacey City Hall parking lot, where he had been living full-time in a 23-foot travel trailer without a permit. The federal district court largely dismissed Potter’s case, and Potter appealed. The Ninth Circuit then certified a question under Washington law to the Washington Supreme Court, asking it to determine whether Washington law recognized a state constitutional right to intra-state travel that would guarantee Potter the right to live in his RV for free on City property.

The Washington Supreme Court unanimously rejected Potter’s claim. The Court determined that Potter had presented no authority for a Washington state constitutional “right to travel” that would allow him to park and reside in his trailer in the specific place and manner he claimed (that is, in the Lacey City Hall parking lot). In fact, federal authority (non-binding in this state law case) holds the opposite: there is no federal constitutional right to intrastate travel that protects the right to remain in a particular place, in a particular manner, in a vehicle.

Helpful to Washington cities, the Washington Supreme Court also explained that binding Washington law establishes cities’ constitutional authority under Art. XI, § 11 of the Washington Constitution to adopt parking laws of general applicability, and the Court has “consistently upheld” local “laws that limit driving and parking, against intrastate travel challenges.”

Other Cases Pending in Washington State

Other cases involving claims arising from enforcement related to homelessness are currently pending in Washington courts. They include the following:

Kitcheon v. City of Seattle, Washington Court of Appeals, Case No. 85583-2-I.

This case is pending in the Washington State Court of Appeals, Division I, in Seattle. Oral argument was held on September 24, 2024, and the case is awaiting decision. In *Kitcheon*, the plaintiffs challenged the City of Seattle's administrative rules governing homeless encampment removals. Plaintiffs allege Seattle's rules violate two provisions of the Washington State Constitution: the right to privacy (article I, section 7) and the right against "cruel punishment" (article I, section 14), even though Seattle's administrative rules require certain protections for unhoused individuals. The trial court had granted partial summary judgment, finding the City's ordinance "partially" facially unconstitutional, and the trial court denied the City's summary judgment motion as to an "as-applied" Article I, section 14 claim, despite undisputed facts that the named plaintiffs had received and accepted offers of shelter in connection with encampment removals, accessed City-funded shelters, and then decided to leave those shelters to resume camping.

Currie v. City of Spokane, Spokane County Superior Court, Cause No. 24-2-03708-32.

This case was filed on August 1, 2024, by the ACLU of Washington on behalf of two individuals, one of whom camps in her car on city streets, and a homeless advocacy organization, Jewel Helping Hands. The complaint alleges that Spokane's anti-camping ordinance violates two provisions of the Washington Constitution: Article I, Section 14, prohibiting "cruel punishment," and Article I, Section 3, requiring due process, because the ordinance allegedly lacks standards for determining whether or when City officials will hold seized property. The City of Spokane has filed a motion to dismiss the case, which is noted for a hearing on November 1, 2024. The City's motion requests dismissal or, in the alternative to dismissal, that the superior court await the Court of Appeals' decision in *Kitcheon*.

Cole-Tindall v. City of Burien, United States District Court, Cause No. 2:24-cv-00325-RAJ; and *Burien v. King County*, Snohomish County Superior Court, Cause No. 24-2-02338-31.

These related cases involve King County Sheriff Patti Cole-Tindall's refusal to enforce the City of Burien's anti-camping ordinance. Burien's ordinance prohibits camping overnight on any nonresidential public property, except when temporary shelter services are unavailable, in which case camping may be permitted only between the hours of 7 p.m. and 6 a.m. The ordinance defines public property as including any city park, street, or sidewalk, and any other property in which Burien or other governmental agency has a property or easement interest.

The Sheriff sued Burien in federal court, alleging that the ordinance was unconstitutional because it violated *Martin v. Boise* and *Grants Pass v. Johnson*. The Sheriff's complaint argued that the Sheriff would face potential loss of her certification to work as a peace officer, which the Sheriff claimed was a property interest, and could also face potential liability, and that this gave her standing to challenge the City's ordinance. The City countersued in Snohomish County Superior Court, alleging the Sheriff had breached the County's contract with the City to provide police services and enforce the City's generally applicable anti-camping ordinance which, the City argued, was constitutional and did not violate the Eighth Amendment.

The Sheriff removed the City's breach of contract case to federal court. The City then moved to dismiss the Sheriff's constitutional challenges to the Burien ordinance, alleging that the Sheriff lacked standing to sue and that the ordinance was constitutional on its merits.

Following the U.S. Supreme Court's *Grants Pass* decision, on September 24, 2024, the federal trial court (Judge Richard Jones) granted the City's motion and dismissed the Sheriff's case. Judge Jones ruled that prevailing law in the Ninth Circuit holds that public officials do not have standing to challenge the constitutionality of a law where the only interest at stake is avoiding a potential violation of their oath of office or potential civil liability. This is particularly the case where the interest at stake is merely "abstract outrage at the enactment of an unconstitutional law" and no specific consequences to the official from enforcement were alleged.

Following dismissal of the Sheriff's constitutional claims, Judge Jones ruled that the City of Burien's remaining counterclaims, and its state law claims for breach of contract, lacked sufficient federal basis to support continued federal court jurisdiction. He therefore remanded the remaining claims to Snohomish County Superior Court, where they remain pending.

Since Judge Jones' dismissal, the Sheriff's public statements have indicated that she will continue to refuse to enforce the Burien anti-camping ordinance, although the basis for refusing to do so was not identified.

Additional Legal Considerations

The *Grants Pass* decision addresses only the Eighth Amendment. The Supreme Court's opinion notes that other constitutional protections continue to apply and may limit what behavior can be declared to be criminal as well as how local officials go about enforcing criminal laws. For example, the Court said, the First Amendment prohibits governments from using their criminal laws to abridge the rights to speak, worship, assemble, petition, and exercise the freedom of the press. The Equal Protection Clause of the Fourteenth Amendment prevents governments from adopting laws that invidiously discriminate between persons, and the Due Process Clauses of the Fifth and Fourteenth Amendments ensure that government officials follow fair and established procedures before taking any action against an individual that could affect their fundamental rights. The Constitution provides additional limits on prosecutorial power, such as due process requirements for fair notice and equal treatment (e.g., no selective prosecution). In addition, various defenses (insanity, diminished-capacity, and duress) continue to be available for assertion by individual criminal defendants. In addition, local governments may decline to criminalize actions such as public camping.

In relation to homelessness, other case law from federal courts in the Ninth Circuit relies on the Fourth Amendment to require certain due process requirements with respect to seizure of personal property in public spaces. These requirements remain intact, including requirements for advance notice of encampment clearing and the right to a reasonable opportunity to reclaim property that is not hazardous. See *Lavan v. City of Los Angeles*, 693 F.2d 1092 (9th Cir. 2012); *Miralle v. City of Oakland*, 2018 WL 6199929 (N.D. Cal. 2018); *Hooper v. City of Seattle*, 2017 WL 4410029 (W.D. Wa. 2017).

And, where a city has adopted policies requiring notice to encampment residents and requiring storage of property for later reclamation by homeless persons, courts have insisted that the city document training of staff on these policies to ensure that they are followed. See, e.g., *Coalition on Homelessness v. City/County of San Francisco*, 2024 WL 3669475 (slip op. August 5, 2024) and 2024 WL 3956323, (slip op. August 26, 2024).

Local Laws

The City of Kirkland does not currently have generally applicable city-wide ordinances prohibiting camping and sleeping on public property with similar breadth and specificity to the ordinances at issue in *Grants Pass* or *Martin*. The City does have generally applicable laws regulating camping in parks, including KMC 11.80.140 (prohibiting camping in any city park), KMC 11.80.200 (prohibiting building fires in any city park) and KMC 11.80.250 (closing parks between the hours of 11 p.m. and dawn, and making it unlawful for any person to enter or remain in any park during closure hours). The absence of specific laws generally prohibiting camping on public property may limit the enforcement tools available to City staff when someone is sleeping in an area that is not a City park, depending on the circumstances and location, among other things.

Likewise, Kirkland does not have a permit parking scheme like the one enacted by the City of Lacey at issue in the *Potter* case, but Kirkland does have generally applicable parking laws that prohibit recreational vehicle camping on city streets. These include KMC 12.45.210 (prohibiting parking or storage of camping trailers on public streets, except for areas not including or abutting residential areas and designated by the planning director) and KMC 12.45.300 (prohibiting parking in excess of established time restrictions).

Other City and State Actions

At least two Washington cities, Lakewood and Auburn, have recently revised their anti-camping ordinances to remove *Martin v. Boise*-type requirements that shelter be available on any given night before anti-camping ordinances may be enforced. See Lakewood Ordinance No. 808; Auburn Ordinance No. 6950. Staff from both cities report that homeless persons engaged in camping on public property regularly refused offers of shelter and/or refused to use publicly available restroom facilities (porta-potties) placed adjacent to public camping. With the revised ordinances, City staff are seeing behavior modifications from those individuals.

The State of Washington reportedly has achieved more success in both clearing encampments and getting encampment residents into shelter, but apparently was able to do so by relaxing typical shelter requirements prohibiting active drug use while in the shelter, and requiring gender segregation (i.e., limiting shelter residents to male-only, or female-only). See, e.g., <https://www.seattletimes.com/seattle-news/homeless/wa-found-a-better-way-to-remove-homeless-encampments-will-it-stick/>. This program has attracted some controversy because, in addition to the rule relaxation, it offers shelters only to encampment residents, rather than on a need-based approach typical of federally-funded shelter programs.

Possible Legislation Impacting Issues Related to Homelessness

In addition to court decisions, the legislative landscape can also impact issues related to homelessness. Multiple bills related to homelessness were introduced last session, and many are expected back in 2025. AWC staff has identified the following bills:

- Vehicle residences (in response to *Long v. Seattle*):
 - o HB 2359 (advocates bill). Among other things, creates additional responsibilities and procedures regarding the impounding of a vehicle used as a home and requires state and local governments to ensure vehicle residences are impounded as a last resort, to pay storage charges for impounded vehicle residences, and to pay the registered tow truck operator the remaining costs if a court reduces impound or storage fees.
 - o SB 5730 (Sen. Fortunato, incl. 2002 stakeholder group recommendations). Among other things, this bill would eliminate the existing homestead exemption for a vehicle used as a home if it was illegally parked; creates new procedures for towing from public property;

changes court procedures for reclaiming impounded vehicles; and requires the Department of Licensing to reimburse towing operators.

- Hostile architecture – SB 6231. Prohibits cities/counties from installing or constructing buildings or structures intended to prevent persons experiencing homelessness from sitting or lying down in a public space at street level, although design elements intended to prevent skateboarding, rollerblading or entry of vehicles are acceptable.
- Homeless shelter policies. These likely bills are still being developed but are expected to include a provision for shelter providers and others to challenge local emergency housing and shelter siting decisions or policies. Previous proposed versions have provided for Commerce to assume a quasi-judicial role over city land use decisions.
- Washington State version of Oregon’s response to anti-camping type local ordinances (O.R.S. Stat. §195.530(2)). In 2022, the Oregon Legislature adopted legislation requiring Oregon cities to adopt a policy “to ensure the most humane treatment for removal of homeless individuals from camping sites on public property.” While the new Oregon law prohibits sleeping on public sidewalks, streets, or alleyways at any time, and regulates occupying a campsite, storing camping materials and removal of person/property from campsites, it also requires a city police department to store removed property for a minimum of 30 days, limits penalties for violation to \$50 fine plus any “alternative penalties intended to address the reason(s) for the violation, but *not* including imprisonment.” Under the Oregon Model: “Any city or county law that regulates the acts of sitting, lying, sleeping or keeping warm and dry outdoors on public property that is open to the public must be objectively reasonable as to time, place and manner with regards to persons experiencing homelessness.” The law also authorizes lawsuits challenging such municipal laws regulating sitting, lying, sleeping, or keeping warm and dry outdoors on public property.
- Homeless Bill of Rights. This bill is still being developed but is expected to prohibit housing status discrimination, prohibit harassment by law enforcement/agents, create rights in public spaces to survive, and prohibit civil or criminal penalties for sleeping or camping in public spaces, among other things.

Key Takeaways

Grants Pass and *Potter v. Lacey* indicate cities have more flexibility in addressing impacts of homelessness. Both the federal and state Supreme Courts indicate receptivity to exercise of municipal police powers and need for creative legislative approached. However, *Grants Pass* and *Potter v. Lacey* are not the end of the story. Litigation is ongoing and more is expected, which could impose additional obstacles to municipal encampment removals. These ongoing and future efforts are likely to be made in state court, with state constitutional challenges likely, rather than focusing on federal constitutional claims.

NEXT STEPS

Staff will keep Council apprised of any new case law impacting issues related to homelessness.



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MEMORANDUM

To: Kurt Triplett, City Manager

From: Adam Weinstein, Director of Planning and Building
Dawn Nelson, Planning Manager

Date: September 10, 2024

Subject: Authorized Encampments Potential Code Changes

RECOMMENDATION:

Staff recommends that the Council reviews this memorandum for information about the City’s existing regulations concerning authorized homeless encampments and ideas for future amendments.

EXECUTIVE SUMMARY

The City’s current regulations for authorized homeless encampments are fairly flexible and generally consistent with recent State law, particularly considering the duration extensions adopted by Council in May 2024 that allow for the Planning and Building Director to allow encampments to persist beyond 92 days, subject to meeting certain criteria. This memorandum describes the City’s existing regulations and suggests a few amendments that could be considered in the future to improve the efficacy of the code.

BACKGROUND:

Figure 1: Kirkland Homelessness Continuum of Care

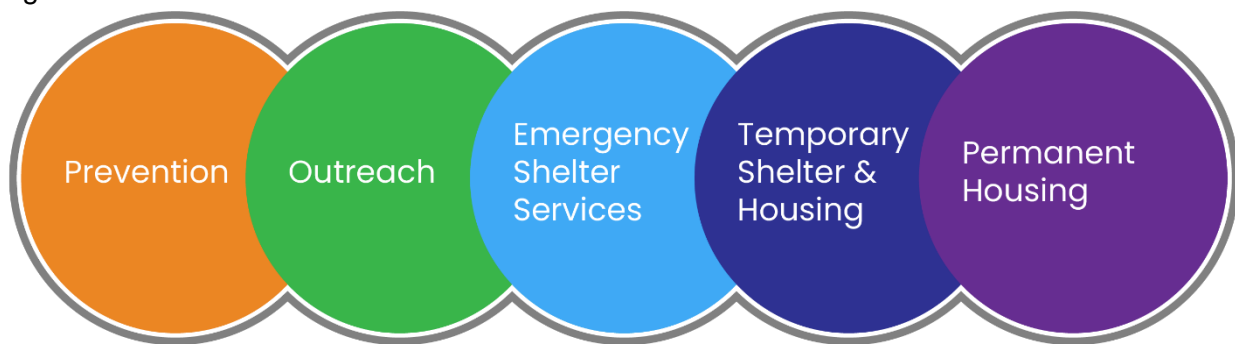


Figure 1 demonstrates the five overarching stages of Kirkland’s current Homelessness Continuum of Care. One important element of the City’s temporary shelter and housing response is the allowance of authorized homeless encampments at locations where they can be managed by a local religious organization or other community-based organization. This provision has been part of the Kirkland Zoning Code (KZC) since 2006, suggesting that Kirkland may have been one of the first cities in Washington to permit authorized encampments as a means of addressing the homelessness crisis. Homeless encampments

are regulated in the Temporary Use chapter of the KZC (Chapter 127)¹, which establishes a variety of standards that encampments must meet in order to be granted a temporary use permit. These standards encompass everything from requirements for a sponsor and managing agency for the encampment, to required fencing around the encampment, to the maximum occupancy of each encampment, and requirements regarding transit proximity.

Current Regulations Under KZC Chapter 127

Temporary uses are allowed at a site once per 365-day period. While most temporary uses regulated by the code are limited to operating 60 days within a 365-day period, homeless encampments may have a duration up to 92 days within a 365-day period. In addition, pursuant to Zoning Code amendments adopted by City Council on May 13, 2024, the Planning and Building Director may grant an extension to allow the homeless encampment beyond 92 days if:

1. The use is compliant with the performance standards in Chapter 127;
2. The operating organization demonstrates that the encampment needs to stay for longer than 92 days;
3. The extension is no more than 92 days in duration beyond the original approved duration; and
4. The applicant for the encampment provides documentation that the property owner, and sponsor, and/or managing agency, agree to the extension.

Applications for homeless encampments require noticing of neighbors at least two weeks prior to the anticipated start of the encampment, and new locations require a public informational meeting. The encampment must have a “managing agency” (an organization that has the capacity to organize and manage an encampment) and a “sponsor” (the entity that has an agreement with the managing agency to provide services and support to the residents of the encampment, and communicates with the surrounding community), but the managing agency and sponsor can be the same agency. Under the current code, a church (defined broadly in the Zoning Code as a religious institution used primarily as a place of worship, which would include a variety of religions) or other community-based organization must be a sponsor or managing agency.

Over the last several years, the City has issued, on average, a permit for one homeless encampment per year. Camp United We Stand, the most recent authorized encampment, operated at the Kirkland Congregational United Church of Christ (106 5th Avenue), just to the north of City Hall, from August 4 through November 4, 2023. This particular encampment was limited to 35 people and operated without incident.

State and Local Context

In recent years, the State Legislature has also been interested in making it easier for authorized encampments to operate. Engrossed Substitute House Bill (ESHB) 1754, which went into effect on June 11, 2020, amends three statutes related to “temporary encampments” and seeks to make it easier for authorized encampments hosted by religious organizations to operate in cities and counties. It does this by establishing restrictions on how local governments can regulate such encampments. Most notably, the bill states that local governments may not limit a religious organization’s outdoor encampment to fewer than 4 consecutive months, or limit the cumulative amount of time an encampment is hosted by an organization to fewer than 6 months in any calendar year. Kirkland and other cities with pre-existing authorized encampment regulations (allowing for

¹ www.codepublishing.com/WA/Kirkland/html/KirklandZ127/KirklandZ127.html

religious organizations to operate encampments) were not required to amend their regulations under the provisions of the bill.

Other nearby cities have regulations that approximate those of the KZC and the recent State requirements. Bellevue (Bellevue Land Use Code 20.30U) issues temporary use permits to religious organizations to operate encampments for periods of up to 90 days, with the ability to modify based on a hardship. Redmond (Redmond Zoning Code 21.46) grants permits to religious and secular organizations for a 5-year period, allowing authorized encampments on a site for a maximum of 4 consecutive months, with at least 3 consecutive months between encampments, and for not more than 6 months in any calendar year.

DISCUSSION/ANALYSIS:

Staff believes the current code provides substantial flexibility for the operation of authorized encampments, particularly considering the duration extensions adopted by Council in May 2024. However, additional amendments to the current code that could be considered to improve the efficacy of the regulations include:

- Allowing the City or other organizations that are not “community-based organizations” to function as a sponsor or managing agency.
- Extending the initial authorized operation period from 92 days to 4 months.
- Allowing authorized encampments to be established on a recurring basis over a period of several years in the same location, similar to the City of Redmond’s regulations.

An expansion of the City’s regulations could consider allowing authorized encampments on designated public property. An analysis of City-owned property would be needed, with development of criteria for what would make a location appropriate for encampments. For example, what infrastructure or improvements would need to be in place and what environmental factors, such as streams, wetlands, or steep slopes, might preclude a location from being used for an encampment. KZC 127 outlines basic site requirements for any encampment including, but not limited to, being a minimum of 20 feet from the property line, having fencing or vegetation around the perimeter, having parking for at least five vehicles, and being close to transit. Additionally, based on recent experience, beneficial site conditions include, but are not limited to, a paved space, mostly flat terrain, easy access to electricity and restrooms, and proximity to public transit.

NEXT STEPS:

This background information about Kirkland’s existing regulations for authorized homeless encampments and additional local context provides Council with additional understanding about current practices and some potential amendments to consider. Should Council have any questions or thoughts for staff, they can be communicated to the City Manager, Planning and Building Director, and PCS Management Analyst.



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MEMORANDUM

To: Kurt Triplett, City Manager

From: Lynn Zwaagstra, Director
Jen Boone, Human Services Manager
Amanda Judd, Human Services Coordinator

Date: October 15, 2024

Subject: Overview of Tiny House Program Models

RECOMMENDATION:

Staff recommends that the City Council reviews the following memorandum with an overview of tiny house program models. This information is provided as background for future Council policy conversations and direction related to the City’s response to homelessness.

EXECUTIVE SUMMARY

- This memorandum responds to the Council’s adopted Resolution R-5631 Declaring the City’s Commitment to Addressing Homelessness and Authorizing the City Manager to Develop a Homelessness Continuum of Care Action Plan.
- As part of the development of the Homeless Continuum of Care Action Plan, staff is presenting Council with information on efforts and collaborations of other municipalities and non-profit organizations in the region to respond to homelessness.
- Through the information provided in this memorandum, the Council will learn about Tiny House Villages, including how they are established and operated, what services are provided, the staffing structure, operating costs, and program outcomes.
- Should Council wish to discuss the possibility of pursuing a Tiny House Village in Kirkland, staff can return to a future Council meeting to provide more Kirkland specific details and answer questions.

BACKGROUND:

Figure 1: Kirkland Homelessness Continuum of Care

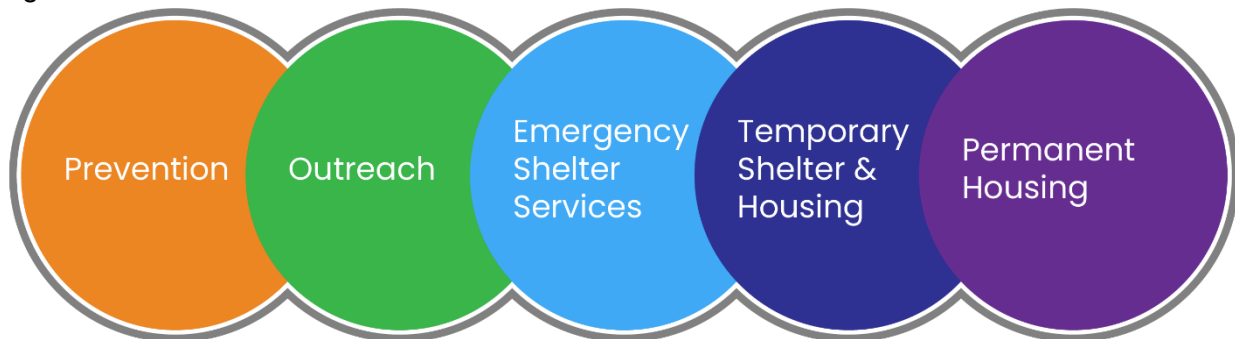


Figure 1 demonstrates the five overarching stages of Kirkland’s current Homelessness Continuum of Care. Tiny House Villages would be part of the Temporary Shelter and Housing response; however, Kirkland does not currently have any Tiny House Villages.

History of Tiny House Villages in the Region

Low Income Housing Institute (LIHI) is the leading builder and operator of Tiny House Villages in the region. Incorporated in 1991 to create community resources for self-management and develop innovative housing solutions, LIHI develops, owns, and operates housing for the benefit of low-income, homeless, and formerly homeless people in Washington state and administers a range of supportive service programs to assist in maintaining stable housing and increasing self-sufficiency.

LIHI began building tiny house shelters in 2015 as a response to the homelessness crisis as a replacement for tents to be safer, weatherproof, and lockable. LIHI currently operates and/or supports 18 Tiny House Villages in Seattle, Tacoma, Olympia, Skyway, Tukwila, and Bellingham. LIHI is driven by the belief that tiny houses allow program participants to reclaim their dignity through finding a pathway to permanent housing, employment, and connection to supportive services.

Staff Tours of Pallet Homes in Vancouver, Washington

A subset of the HART Team, Human Services staff, and City Manager's Office staff conducted a site visit to City of Vancouver, WA on September 27th, 2023 to meet their HART Team and visit two tiny home 'safe stay' communities and one safe parking program. The goal was to learn about program operations, the siting process, and impact the programs have on supporting unhoused community members to achieve stable housing.

In 2021, Vancouver City Council approved a plan to create temporary, supportive Safe Stay Communities for those experiencing homelessness in Vancouver, Washington. The City of Vancouver has since brought four Safe Stay Communities online as of December 2023: The Outpost, Hope Village, 415 West, and Kiggins Village. Each temporary communities offers 20 two-person structures that offer shelters for up to 40 individuals. The City contracts with a nonprofit organization to provide 24/7 onsite management and services. Each community includes fencing for privacy, sanitation and hygiene services, and health services. In August 2022, the second Safe Stay Community, Hope Village released the following information in the annual report: 14 people transitioned to permanent housing, 39 people completed housing assessments, 17 people obtained identification documents, 8 people secured employment, 10 people were reunified with family, and 1 person received their high school diploma. The full report includes resources provided, demographic information, and Fire/EMS information.¹ Each site currently costs approximately \$1 million annually to support operations funded by Vancouver's Affordable Housing Sales Tax and Affordable Housing Fund.²

The City of Vancouver partnered with Pallet³ to create the four Safe Stay Communities. Pallet is a public benefit corporation whose mission is to build supportive, interim shelter for displaced communities under a dignity lens. The cost to purchase a pallet depends on the size of shelter, add-ons, and assembly services. Pallet also provides hygiene units and community rooms, which allows for on-site services and amenities available to ensure privacy, community, and dignity. Estimated start-up costs for construction and purchase of 20 pallet homes, community room, and hygiene amenities costs approximately \$1 million. Attachment 2 includes Pallet's Price Sheet. A pallet can be assembled in under one hour, so a village can be constructed in a day once a site is secured, and a service provider is identified.

¹ https://www.cityofvancouver.us/wp-content/uploads/2024/02/3515366029edd9caf7d479b9a7e8a3cb_SafeStay_HopeVillage_1Year_FINAL.pdf

² <https://www.cityofvancouver.us/economic-prosperity-and-housing/affordable-housing-fund/>

³ <https://palletshelter.com/>

City Council and Staff Tours of Temple Miracle and Henderson Tiny House Villages

Mayor Curtis, Deputy Mayor Arnold, and Councilmembers Black, Falcone, Sweet, and Tymczynsyn, and the City Manager, along with human services staff, toured two LIHI operated Tiny House Villages on June 10, 2024. A group of City staff from the City Manager's Office, Fire, Parks and Community Services, Planning and Building, Police, and Public Works toured one of the same sites on September 24, 2024. The purpose of touring the sites was to better understand how tiny house programs operate in the region and observe two sites that specialize in supporting different community needs. Participants visited one high acuity site serving individuals and couples and one site serving families, individuals, and couples. The remainder of this memorandum provides additional information about Tiny House Village operations and requirements, much of which was provided to Councilmembers during their tour.

DISCUSSION/ANALYSIS:

Operational Overview of Tiny House Villages

Operations, design, and guidelines are streamlined for all of LIHI's Tiny House Villages and are highlighted below. Utilization and eligibility criteria vary by site to support specific community needs reflected by that site's partnerships, onsite services, and referral sources. For example, there are tiny house sites that prioritize families, women-identifying community members, BIPOC community members, and medically fragile and 55+ community members.⁴ See Attachment 1 for visual examples of Tiny House Village components.

Physical and Financial Footprint

- A tiny house is approximately 8 feet x 12 feet and materials cost about \$5,000 per unit.
- The average cost to set up a village of 30 – 40 houses is \$700,000 – \$800,000 with average annual operating cost ranging between \$1,000,000 – \$1,500,000.
- Each tiny house has electricity, an overhead light, insulation, and a heater.
- Each Tiny House Village has a community kitchen; a hygiene trailer with restrooms, showers, and laundry facilities; staff offices; and a security pavilion.

Rules and Guidelines

- Alcohol and drugs are not allowed in any public spaces; weapons are not allowed anywhere on the property.
- Case management participation is required for all participants. If participants stop progressing in the program, case managers work with them to explore a more appropriate placement.
- Participants are required to accept long-term stable housing opportunities when they become available, if the housing opportunity is appropriate for their needs.
- Participants are screened for sex offenses.
- Pets are allowed as long as they become licensed and inoculated for rabies, and the pet's behavior is not disruptive or unsafe for other participants.
- These guidelines, including others, are part of LIHI's Code of Conduct that participants are required to review and agree to as part of their participation. Conduct infringements are managed with a progressive discipline model depending on severity.
- State and County landlord-tenant laws, including eviction laws, do not apply to Tiny House Villages.

Staffing and Onsite Services

- Case Managers are onsite working with participants to connect them to more long-term stable housing, employment, healthcare, education, and other wraparound services.

⁴ Learn more about specific villages: <https://www.lihihousing.org/villages>

- Security staff, called Shelter Monitors, are onsite 24/7 and ensure participants comply with the Code of Conduct.
- If prioritizing high acuity participants who are chronically homeless with additional behavioral health needs, staffing levels are increased to ensure there are always at least two staff onsite.
- Staffing is the biggest operating cost. Staffing is necessary to support participants in working toward their housing, employment, and other goals, and to ensure the safety commitments made to the surrounding neighborhood where the site is hosted are met.
- All Seattle villages include a certified behavioral health specialist as part of a partnership with an area behavioral health service provider.

Length of Stay and Outcomes

Tiny House Villages are not intended or designed to be permanent housing, but rather a temporary and safe opportunity for previously unsheltered individuals and families to reside while preparing for and identifying stable, long-term housing. LIHI reports the following outcomes:

- 65% of participants stay less than 6 months, 29% stay between 6 months to 2 years, and 6% stay more than two years.
- On average, 50-58% of participants exit to permanent housing. The return to homelessness rate is very low at 3-4%.
- The utilization rate of tiny houses is around 90-95%, meaning people experiencing homelessness rarely turn down a tiny house when available. This creates low vacancy rates, which are typically just the time it takes to turn a unit for the next occupant.

Property Sources, Partnerships, and Permitting for Tiny House Villages

Property Sources

There are multiple property sources used to host Tiny House Villages including properties owned by government entities, churches, and LIHI. The Cities of Seattle, Olympia, Tacoma, and Bellingham have placed tiny houses on city-owned properties, and in most instances, the city-owned property is leased to the operator of the Tiny House Village for a specified period of time. Both Sound Transit and the Port of Seattle have leased property to the City of Seattle for the use of temporary tiny house placement. Properties owned by churches are also common host sites for Tiny House Villages. Exemplifying the intended temporary nature of tiny houses, LIHI has built temporary Tiny House Villages on LIHI-owned property, with the long-term goal of developing the property for multi-family units to increase the overall inventory of permanent, affordable housing. For example, Othello Village, one of the first Tiny House Villages established in Seattle, was located on LIHI-owned property that is now being developed into permanent affordable housing.

Partnerships and Referral Sources

The priority population served at each Tiny House Village, as well as referral sources, are determined by specific community needs and the property host and partnerships established for each site. Some examples include:

- Southend Village in Seattle's Rainier Beach neighborhood is operated by LIHI in partnership with Truevine of Holiness Missionary Baptist Church and Refugee Women's Alliance (ReWa). ReWa provides onsite case management, behavioral health services, early learning, and childcare. Referral sources for this site are community organizations with ties to Rainier Beach.
- TC Spirit Village in Seattle's Central District is operated by LIHI in partnership with The Christ Spirit Church, who also owns the property hosting the site. Prioritizing Indigenous and Black individuals who are underserved and over-represented in the homeless

population, referral partners include Seattle Indian Center, Urban League, Chief Seattle Club, The Christ Spirit Church (site host), and the City of Seattle's Homelessness Outreach and Provider Ecosystem (HOPE) Team.

City of Seattle Tiny House Permitting Overview for Consideration

- The City of Seattle exempts tiny houses from needing a building permit if under 120 square feet and if considered for indigent use.
- Tiny House Villages need to obtain plumbing and electrical permits from the City of Seattle. In most cases, this requires plumbing and electrical to be underground, however some sites have been able to work with the City for alternative solutions when undergrounding wasn't possible.
- The Seattle Municipal Code has additional regulations for authorized encampments on City property and on church property.

NEXT STEPS

The background information about Tiny House Villages in this memorandum provides Council with details about how some government entities in the region are responding to unsheltered homelessness. Should Council wish to discuss the possibility of pursuing a Tiny House Village in Kirkland, staff can return to a future Council meeting to provide more Kirkland specific details and answer questions.

ATTACHMENTS

Attachment 1 – Tiny House Village: Visual Examples of Components
Attachment 2 – Pallet Price Sheet

Tiny House Village: Visual Examples of Components

Examples of village layouts:



Examples of customizing for communal areas, raised gardens, artistic and cultural expression, and diverse tiny house facades:





Examples of inside a Tiny House:



Examples of Tiny House Village community kitchens:



Pallet® Price Sheet



S2 Product

All units come with a lockable door and can accommodate a bed, desk, and shelving unit.

Shelter	Description	*Unit Price
S2 Sleeper (70 sq. ft.)	70 sq. ft. (6.5 m2) shelter with floor, roof, walls, lockable door, and windows (including one emergency egress window). Structural fiberglass reinforced panels with UV and fire protection additives. Equipped with kick plate, peephole, shelves, smoke/CO detectors, fire extinguisher, and electrical panel.	\$15,900
S2 Sleeper (120 sq. ft.)	120 sq. ft. (11.15 m2) shelter with floor, roof, walls, lockable door, and windows (including one emergency egress window). Structural fiberglass reinforced panels with UV and fire protection additives. Equipped with kick plate, peephole, shelves, smoke/CO detector, fire extinguisher, and electrical panel.	\$20,600
S2 EnSuite	120 sq. ft. (11.15 m2) ensuite unit with same components as 70 sq. ft. (6.5 m2) shelter. In this layout, 70 sq. ft. (6.5 m2) is designated living space and 50 sq. ft. (4.65 m2) is ensuite bathroom (shower, sink, and flushable toilet). Requires an electrical hookup and connections to sewer and water main or a tank system.	\$43,850

* All products: Up to 155 mph sustained wind rating. 40 lb. per square foot snow load rating.

Add-ons	Description	*Unit Price
120V Electrical Kit	110V power panel with wall-mounted 2,750W heater, three 110V outlets, LED lighting, and hardwired smoke/CO detector with battery backup.	\$635
240V Electrical Kit	240V power panel with wall mounted 4,500W heater, three 110V outlets, LED lighting, and hardwired smoke/CO detector with battery backup.	\$725
A/C 8,000 120V with install kit	8,000 BTU Air Conditioning unit and installation kit.	\$600
Twin XL Bed Frame	Powder coated metal mattress foundation frame. 6'2"W x 4'5"D x 2'1"H (186.9 cm W x 134.6 cm D x 35.6 cm H)	\$150
Twin XL Mattress	High quality foam mattress with water resistant cover.	\$350
Desk	One-person desk.	\$335
Exterior Lighting	Outdoor-rated photocell light mounted to exterior front wall.	\$300
Digital Door Lock	Door lock allows keyless entry using a programmed security code.	\$135

Assembly Services

Product is built in our factory and requires assembly in field. Assembly services are not included in unit price. Ordering agency required to assemble shelters or contract Pallet PBC to assemble product as an open market item indicated on quote and invoice.

S2 Sleeper Units					
1-3 Units	4-10 Units	11-60 Units	61-90 Units	91-120 Units	120+ Units
\$5,000 Flat Fee	\$1,500 ea.	\$1,100 ea.	\$1,000 ea.	\$900 ea.	\$800 ea.

S2 EnSuite					
1-10 Units	11-20 Units	21+ Units			
\$3,000 ea.	\$2,800 ea.	\$2,500 ea.			

Hygiene Units

Unit	Description	*Unit Price
Two-Stall Hygiene	Two complete bathrooms (toilet, shower, sink) in a 100 sq. ft. (9.29 m2) structure. Requires an electrical hookup and connections to the sewer and water main or a tank system.	\$44,995
Accessible Hygiene+ Half Bath	One complete accessible bathroom plus a smaller half bath in a 100 sq. ft. (9.29 m2) structure. Requires an electrical hookup and connections to the sewer and water main or a tank system.	\$44,995
Laundry Room	A 100 sq. ft. (9.29 m2) structure with hookups for four complete washer/dryer stacks, utility sink, and folding table. Requires an electrical hookup and connections to the sewer and water main or a tank system. (Washer/dryers not included)	\$39,999

Community Room

Shelter	Description	*Unit Price
Community 400	<p>Aluminum framed 400 sq. ft. (37.16 m2) shelter with structural floor, roof, walls, lockable doors, opening windows with screens. Made with highly durable composite panels. Requires a level concrete pad for assembly.</p> <p>Assembly Services when community room is part of a village build: \$9,000 each (Not included in UNIT PRICE)</p> <p>Assembly Services for a single community room build: \$15,600 (plus \$9,000 for each additional community room assembly at the same site) (Not included in UNIT PRICE)</p>	\$39,999

- * Pallet assembly services include personnel, travel expenses, and tools for a Pallet team to assemble shelters onsite.
- * Pallet is not responsible for site grading, leveling, staking to the ground, or utility connections to shelters.
- * Fees are charged on a per-unit basis, and ranges are based on the number of units deployed.
- * Shipping all units is dependent on location.
- * All assembly prices are an estimate based on typical prevailing wage rates.
- * All prices are in USD.



MEMORANDUM

To: Kurt Triplett, City Manager

From: Lynn Zwaagstra, Director
Jen Boone, Human Services Manager
Amanda Judd, Human Services Coordinator
Hillary De La Cruz, Management Analyst

Date: October 10, 2024

Subject: Overview of Vehicle and RV Residency Program Models

RECOMMENDATION:

Staff recommends that the City Council reviews the following memorandum with an overview of vehicle and recreational vehicle (RV) residency program models. This information is provided as background for future Council policy conversations and direction related to the City’s response to homelessness.

EXECUTIVE SUMMARY

- This memorandum responds to the Council’s adopted Resolution R-5631 Declaring the City’s Commitment to Addressing Homelessness and Authorizing the City Manager to Develop a Homelessness Continuum of Care Action Plan.
- As part of the development of the Homeless Continuum of Care Action Plan, staff is presenting Council with information on efforts and collaborations of other municipalities and non-profit organizations in the region to respond to homelessness.
- Through the information provided in this memorandum, City Council will learn about RV and Vehicle Residency Programs, including how they are operated, what services are provided, and program outcomes.
- If Council desires, staff can provide additional insight about these programs and policy questions for Council to consider when discussing the City’s specific response to vehicle and RV residency.

BACKGROUND:

Figure 1: Kirkland Homelessness Continuum of Care

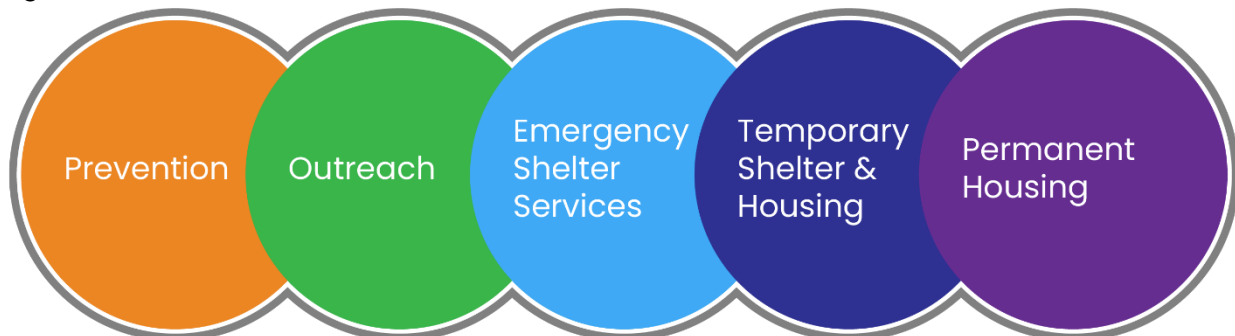


Figure 1 demonstrates the five overarching stages of Kirkland's Homelessness Continuum of Care. Responding to people living in vehicles and RVs touches both Outreach and Temporary Shelter and Housing when considering safe parking lots or other program models.

Vehicle residency, referring to the act of living in one's vehicle or recreational vehicle, has become a more frequent and visible interim option for households experiencing homelessness where other programs and/or services are not available or viable. Common areas for vehicle residency include parking lots, streets located in commercial areas, and City owned lots, like the Kirkland Police Department. Through Homeless Outreach Coordinator (HOC) engagement, the City has learned what types of barriers are in place that make programs or services not available or viable. The most common reasons are emergency shelter or safe parking programs being at capacity and program criteria limiting access to the program (e.g., population specific, restricting vehicle type, no pet policy). Such barriers lead to limited options for vehicle residents to move along the Continuum of Care, limiting the City's role to support vehicle residents with current resources and the services landscape in the interim. Subsequently, there has been increased community concern about resources available to support vehicle residents transitioning into stable housing, and the impacts that vehicle residency has on the surrounding community, including enforcement of long-term parking violations and waste management and disposal.

The HOC has established trusting relationships with individuals and families living unhoused through engagement and rapport-building and has gained insight into the additional needs of those residing in RVs and passenger vehicles. A major need for people living in RVs and passenger vehicles is a safe, clean space to use the restroom and shower. People living in RVs often need access to a way to pump out blackwater from the RV holding tank. From a health and safety perspective for all community members, including those who are living in vehicles and those spending time nearby, it is important to minimize and prevent potential blackwater waste spillage into streets, sidewalks, and the stormwater system.

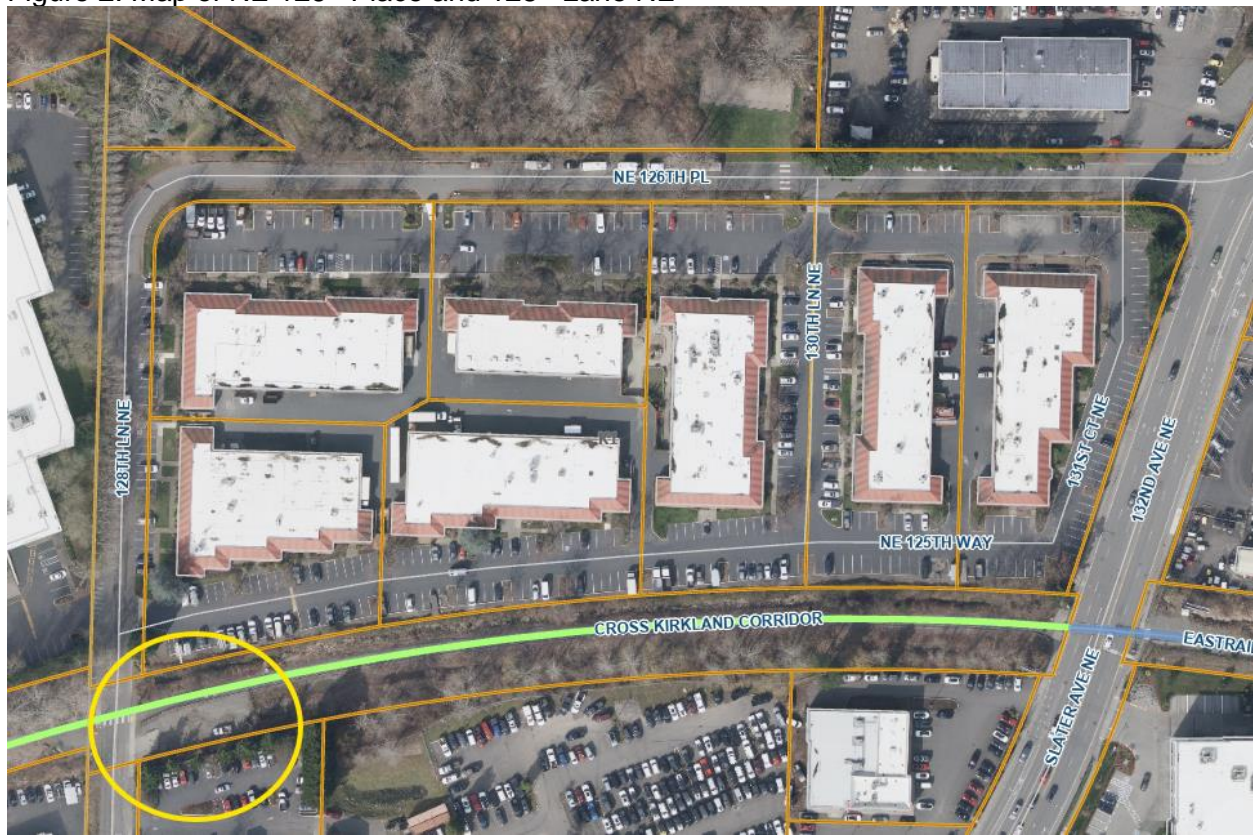
To address some of the more pressing needs and concerns, the following pilot resources have been made available:

- 24/7 open restroom at Marina Park.
- Sanitation Services at Cross Kirkland Corridor & 128th Lane: Accessible portable toilet, hand washing station, and garbage container. Services are intended for anyone who uses the CKC as well as for people who are living in vehicles nearby to mitigate potential waste disposal in other areas. The estimated cost for these services is \$6,000 per year and the portable toilet and hand washing station are serviced weekly and garbage is picked up weekly.

RV and Vehicle Residency on 126th Place and 128th Lane

As of the writing of this memorandum on October 10, 2024, there are approximately 13 households living in RVs/camper trailers parked along NE 126th Place and 128th Lane NE in Kirkland's Totem Lake neighborhood which is located close to the intersection of 132nd Avenue East and the Cross Kirkland Corridor as displayed in Figure 2. Most of these households have a car in addition to their RV/trailer which many use to get to work.

Figure 2: Map of NE 126th Place and 128th Lane NE



City staff across all departments – including Police, Human Services, and the City Manager’s Office – have been actively engaged with those living in the RVs since at least 2019. Staff have communicated frequently to the RV residents over the years, and again recently, that they must comply with Kirkland’s laws (other than parking for long periods on 126th and 128th), and that the situation must be both sanitary and safe for everyone. The Police Neighborhood Resource Officer Tiffany Trombley and Homelessness Outreach Coordinator Meli Paulo routinely visit to connect the vehicular residents with resources and stable housing opportunities. Other members of both the Homelessness Assistance and Response Team (HART) and Police Department also visit the area regularly.

Using a person-centered approach, the City is working to end overnight RV parking in this area by the end of the year with a focus on supporting them in finding permanent housing.

There are a number of factors that led to this decision, including the recent United States Supreme Court ruling in *City of Grants Pass v. Johnson* in June of 2024. While parking time limits have not been enforced in this area for the past few years, there has been a noticeable increase in RVs and other cars and trailers, and instances of vehicles being parked in non-designated spaces. The City has also invested in a Homeless Outreach Coordinator position to successfully connect vehicle residents with resources to secure long-term housing. Finally, with new Permanent Supportive Housing units now available in Bellevue and Redmond, and more opening soon in Kirkland, there are greater housing resources available than in previous years, making this transition more likely to succeed.

The City wants to keep all community members, including those living unsheltered and in RVs, safe and wants to help transition RV residents to more permanent solutions. The City’s HOC has been doing outreach at 126th and 128th since April 2023 and will continue to be available to

any RV resident who wants to discuss alternative options. Between now and December 13, the City will work with each of the individual RV residents to find solutions for their individual situation. Staff are actively working to find alternative temporary parking options in partnership with faith-based organizations. RV residents who are actively working with the HOC to find housing will be prioritized for temporary parking options at other locations if they become available. This approach maximizes the chance that RV residents can continue making progress toward their housing goals while receiving the support they need. The HOC delivered letters to RV residents and had conversations about these changes beginning on October 14. The City also delivered a letter about the changes to businesses in the immediate area.

While staff are acting on RVs in this area in advance of the development of the Homelessness Continuum of Care Action Plan in 2025, the City still plans to engage with community members on related topics as part of the action plan development.

The remainder of this memorandum includes details about the efforts and actions of other municipalities and non-profit organizations in the region. This information will be helpful to Council and staff as they continue to determine how to address the ongoing needs of vehicle residents.

DISCUSSION/ANALYSIS:

Safe Parking Programs Operated by Local Churches

Two examples of well-established safe parking programs are Lake Washington United Methodist Church (LWUMC) in Kirkland and Overlake Christian Church (OCC) in Redmond. Each program prioritizes different populations providing complementary and collaborative regional support for vehicle residents in the community. Each program has one full-time staff person, several part-time office staff people, and a significant pool of volunteers that support the program with a variety of tasks including preparing weekly community meals. Both programs accept self-referrals and also collaborate with regional homeless outreach staff. An operational overview for both programs is provided below. Details are applicable to both programs unless otherwise noted.

Facilities and Services Provided

- Safe parking in the church parking lot. Set hours are available for the church buildings to be open for access to meals, a food pantry, WIFI, mail service, phone use, and a resource closet.
- Access to toilets and showers. LWUMC also has laundry services.
- Financial assistance program to assist with vehicle repairs to ensure vehicles remain operational.
- Weekly onsite case management from local service providers to assist participants with stability goals and access to resources.
 - OCC is served by the Redmond Homeless Outreach Coordinator.
 - LWUMC is served by a Vehicle Residents Outreach Case Manager from The Sophia Way and funded through King County.

Rules and Guidelines

- An intake application is required prior to participants being welcomed onto the safe parking lot. This includes a mandatory background check. Screening criteria for each site is case by case and involves an interview between program staff and applicant.
- Alcohol, drugs, and weapons are not allowed in common areas of the property.
- Participants are expected to keep vehicles operable.
- Only passenger vehicles are allowed in the lot. RVs, trailers, or campers are not served.

- Participants are allowed to have pets if they assume responsibility and ensure no other participants are negatively impacted by the pet's behavior.

Utilization and Outcomes

- LWUMC operates up to 60 parking spaces for women-identifying adults and families.
 - There is no length of stay limitation for participants who do not have alternative places to go.
 - In 2023, approximately 140 households were served through LWUMC safe parking with most staying less than six months. Families averaged a one month stay and single adult women averaged a stay between three to six months.
 - Of the 140 households served in 2023, 43 moved into shelter and 37 moved into stable housing.
- OCC operates up to 15 parking spaces for men-identifying adults and couples.
 - The intended length of stay is three months; however, participants can extend up to one year if they are actively working on housing stability goals.
 - In 2023, 35 participants were served by and transitioned out of the OCC safe parking program; 24 of those moved into a more stable living arrangement.

RV Safe Parking Operated by Regional Homeless Service Providers

Salmon Bay Village opened in December 2023 in Seattle's Interbay neighborhood and is the only safe lot currently serving RVs in the county. The Low Income Housing Institute (LIHI), a non-profit organization that develops and operates housing and programs for individuals and families exiting homelessness, was awarded a \$1,900,000 contract by the King County Regional Homelessness Authority (KCRHA) to start the program and manage daily operations.

Facilities and Services Provided

- 35,000 square feet lot that is leased from a private owner.
- On-site 24/7 staffing including case management to support stable housing goals.
- Community kitchen and a hygiene trailer with toilets, shower, and laundry facilities.

RV Guidelines

- Each RV must be drained of fuel and pumped of wastewater to ensure a safe environment for the vehicle residents. Participants are expected to use on-site toilet facilities once enrolled.
- To reduce fire hazards, each RV is outfitted with an electrical conduit to accommodate electric heaters to replace propane tanks for heating.

Utilization and Outcomes

- Up to 26 RVs can be accommodated on the lot along with nine tiny houses that are located on the property. Altogether between 45 and 50 individuals can be served.
- Prioritization is given to medically vulnerable and elderly RV residents living in the Interbay neighborhood.
- RV residents are offered the opportunity to transition into a tiny house located on-site when they become available. If accepted, the participant signs over ownership of the RV to LIHI who then ensures the RV is decommissioned and removed from any future use. This most often occurs with participants whose RVs are determined unfit to live in. Within the first six months of program operation, 35 RVs were removed from the streets and permanently demolished. Significant interest in this process has warranted LIHI to begin the process of adding three additional tiny houses to the site.
- Neither RV parking nor tiny house accommodations are intended for long-term residence and participants are required to accept stable housing opportunities when it becomes available, if the housing opportunity is appropriate for their needs.

City of Bellevue Safe Parking Pilot Program

The Bellevue City Council invested up to \$450,000 per year for a two-year safe parking pilot program located on City-owned property. The program opened in May 2024 and is operated by 4 Tomorrow, a non-profit organization serving the Eastside by providing culturally significant resources and assistance in navigating systems and overcoming barriers.

Facilities and Services Provided

- The program offers day center hours with access to family restrooms, showers, a community kitchen, laundry services, a family room, computers, and a community closet.
- Case management is available to support participants in signing up for childcare and stability resources.
- Limited financial assistance is available to support stability goals, including housing application fees and obtaining documentation of identity.
- On-site security is provided overnight when program staff are not present.

Eligibility and Utilization

- Up to 20 vehicles can be accommodated with prioritization going to families with children. During the initial phase of opening, utilization was intentionally kept under capacity to better successfully ramp up the program while additional staff were hired and some components of the program were still being finalized.
- Within the first month of opening, from May to June of 2024, 15 vehicles were accommodated serving 21 adults and 33 children, the majority of which were under age five.
- While the initial program plan included serving RV residents, the program has not yet expanded to include that population.
- The intended length of stay is no longer than 90 days. However, additional time is granted if participants are actively working on stability goals.

Permitting Considerations

- Permits are in place for the location of the safe parking pilot program through 2026. If the Bellevue City Council extends the program with additional funding beyond the two-year pilot, a property land extension and/or new site would be required.
- The City of Bellevue has not made any permanent changes to the Bellevue City Code to support safe parking to date. The Bellevue City Manager made a declaration of emergency and designated the City-owned lot as a “temporary public safety space.”

City of Olympia Temporary Parking Permit Program

In 2022, approximately 90 RVs and vehicles were parked in Olympia along a stretch of roadway that was the only thoroughfare to the hospital, making it difficult for emergency personnel who were trying to transport people to the hospital. The City decided to make an effort to clear the stretch of road of vehicles parked long-term, but also wanted to have alternative places for vehicle residents to go into shelter, a safe parking lot, or temporary housing. While awaiting the opening of a Tiny House Village, City outreach staff worked with vehicle residents in phases. Initial outreach efforts were able to clear 20 vehicles from the most concerning section of roadway through creative measures that included offering to buy the RVs from people living in them and connecting them with shelter and housing resources. With the remaining RV and vehicle residents, the City created a temporary permit program that was time limited until the new Tiny House Village was available to refer residents.

Program Timeline and Initiatives

- The program operated from March 2022 until August 2022, when the City opened a Tiny House Village.

- The City's Homeless Outreach Team staff gave temporary parking permits to participants who were parked in the area at the beginning of the program after initial efforts were made to connect vehicle residents to resources and clear the area. No new permits were distributed later.
- Thirty-three RV permits were distributed. Each permit allowed an additional passenger car if using for reasonable needs. Stall lines were painted on the ground to attempt to keep to the permitted number of vehicles, though others parked there at various times.
- The City's Homeless Outreach Team, comprised of 3 full-time staff trained in de-escalation, provided the primary onsite support and monitoring of the program.
- Monthly mobile pump out services were paid for through an Interlocal Agreement with LOTT Clean Water Alliance for Public Health Emergency Support Funding.
- No code changes were necessary for the temporary program. However, Code Enforcement provided collaboration and guidance on what items were allowed or not allowed outside of the vehicles.
- Police were not utilized during regular outreach due to concerns of presence triggering an escalation of distrust and disruption.

Program Guidelines

- To remain located in the area, participants were required to opt-in to a future tiny house or move from the location at the end of the temporary program.
- A Code of Conduct was developed and included:
 - Expectations of cleanliness standards
 - Expectations of keeping the roadway clear
 - No acts of violence

Outcomes

- The Tiny House Village opened in August 2022 with 100 units; 55 units were occupied by participants of the temporary permit program.
- RVs of those who moved to Tiny House Village were disposed of using tow companies and the Washington State Department of Licensing Abandoned RV Reimbursement Program at minimal to the City.
- The City implemented a new requirement that RVs move every 24 hours, move at least 1,000 feet, and have a 500-foot separation from any other RV.
- The street of initial concern no longer has RVs parked on it and the City reports significantly less RVs parked anywhere in city limits.

NEXT STEPS

The background information about vehicle and RV residency program models in this memorandum provides Council with details about how some entities in the region are responding to unsheltered homelessness. Staff can return to a future Council meeting with additional lessons learned from these programs and policy questions for Council to consider when discussing the City's specific response to vehicle and RV residency.



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