

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 1**

CONVENE: 5:36 p.m.

PRESENT: Mayor Pete Kmet and Councilmembers Michael Althaus (Telecon), Joan Cathey, Eileen Swarthout, Debbie Sullivan, Tom Oliva, and Neil McClanahan.

Staff: City Administrator John Doan, City Attorney Karen Kirkpatrick, Assistant City Administrator Heidi Behrends Cerniwey, Finance Director Ursula Euler, Police Chief Jon Weiks, Community Development Director Michael Matlock, Planning Manager Brad Medrud, Communications Manager Ann Cook, and Recording Secretary Valerie Gow.

Councilmember-elect Leatta Dahlhoff.

Housing Panelists: Paul Knight, Consultant; Derek Harris, Deputy Director, Community Youth Services (CYS); Trish Gregory, Executive Director, Family Support Center; Phil Owen, Executive Director, Sidewalk; and Meg Martin, Director, InterFaith Works Shelter.

**HOUSING
WORKSESSION
NO. 2:**

City consultant Paul Knight reviewed the objectives of the housing discussion over the next several months:

- Define and examine homelessness and housing affordability issues and challenges in Tumwater.
- Develop a common understanding and seek consensus among City leadership about the problem and Tumwater's range of possible goals.

Mr. Knight summarized the January meeting outcome:

- Housing supply and variety matters.
- Fast-rising housing costs are the greatest cause of homelessness.
- Social behavior and economic challenges are in the mix.
- State and local resources for affordable housing has been fairly flat for the last eight years.

Subsidized and supported housing in Tumwater include Thurston County Housing Authority (largest provider of housing) housing of 202 units in seven apartment buildings, 250 Section 8 Vouchers (subsidized housing - 73 vouchers are used in Housing Authority units and 67 vouchers are used by Behavioral Health Resources), Quixote Village, and two Homes First homes. The number of Section 8 Vouchers is based on the census for the region, as well as the amount spent from the allocation of the previous year. Individuals have up to six months to use the voucher to secure housing. Sometimes, extensions of time can be approved.

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 2

Mayor Kmet noted that Quixote Village is located in the City of Olympia.

Discussion ensued on the location of units sponsored by BHR. Manager Medrud advised that the Housing Element of the Tumwater Comprehensive Plan contains a list of all supported and subsidized housing with respective addresses.

Councilmember Sullivan added that the Community Action Council of Mason-Thurston also sponsors the Deschutes Cove apartments in Tumwater.

Mayor Kmet said some homes on Tumwater Hill appear to be operated as halfway houses. Mr. Owen advised that the homes are Oxford Houses for individuals coming out of treatment with some owned by Homes First. The houses are not subsidized. Some of the homes could also be adult family homes that are sponsored through the state's Home and Community Services program. Tenants pay 85% of their income to live in supported homes. Most tenants are permanently disabled.

Mayor Kmet suggested documenting a list of different types of subsidized housing capacity in Tumwater.

Mr. Owen added that each year, his organization assists up to six individuals in securing adult family housing within the region. Ms. Martin noted the homes are high barrier housing with more requirements for individuals to qualify.

Assistant City Administrator Behrends Cerniwey reviewed the results of Tumwater's first Point in Time Homeless Census conducted by five City teams and a volunteer who canvassed the community over a three-hour period. Approximately 14 people were identified as homeless for a variety of reasons ranging from job loss, substance abuse, or chronic health conditions. Some of the homeless were veterans or receiving some type of social service benefit. Over a dozen sites were identified with evidence of past or current occupation. One dozen care bags were distributed.

Ms. Gregory noted that the combined regional Point in Time Homeless Census count documented 763 homeless individuals in Thurston County. That number also includes some homeless who had some form of shelter. Approximately 330-350 were unsheltered representing an increase from last year. The count did not include homeless children counted by local school districts.

Mr. Owen commented that the Point in Time count is not a scientific method to document the number of homeless individuals. The Point in Time count assists in tracking patterns over time. After 2010, a five-year

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 3

decline in homelessness occurred. Today, homelessness is trending upwards primarily because of the rise in rents. On any given evening, counters are missing many of the homeless population. The number of homeless is likely three to four times more than the Point in Time count. The homeless population is not a static population because many people escape homelessness while others become homeless. In 2016, over 1,100 single individuals entered the system while 226 of those individuals were highly vulnerable and 232 individuals exited through rapid rehousing. The Point in Time count provides a sense as to whether the system is helping people exit the system.

Mr. Knight reviewed services available to the homeless population. Coordinated Entry includes Family Support Center for families, Community Youth Services for youth, and Sidewalk for single individuals. Each person is assessed against a vulnerability index to help prioritize shelter and assistance for families, youth, single adults, or couples. Services flow through Coordinated Entry organizations. Some people are transitioned to rapid rehousing or transitional housing (90%-95%). Some shelters include the Family Support Center, Safeplace, Community Youth Services (Shelter & Day Center), and Sidewalk which works closely with InterFaith Works, Drexel House, Salvation Army, and cold weather shelters.

Mr. Knight reviewed available funds for assisting the homeless population.

Ms. Gregory described the process a family encounters when seeking rapid rehousing. The Coordinated Entry program serves different subpopulations of youth (18-24), singles, and families with children. The process includes an intake (demographic info) and assessment (qualifies whether the family meets the definition of homelessness and identifies the appropriate definition). Assessment staff members guide the person or family through available programs and resources, as well as providing information on housing services. Direct referrals can be initiated to a shelter program to meet emergency need or the family might be added to a waiting list. The primary objective is identifying a way to remove the person or family from a homeless situation. The programs are flexible and can range in support dependent upon need. The primary goal is diverting people from the homeless system and helping individuals reconnect to their own resources.

Mr. Owen described and displayed a flow chart of the placement system. The first step is diversion by reconnecting them with friends or family. If diversion fails, the person moves to the assessment process through Coordinated Entry. The assessment yields a vulnerability score (predicts a person's risk of dying on the street). People with the highest score move to the top of the wait list for all services. The rapid rehousing

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 4

program has slowed since the program converted to a vulnerability-rate based program. Approximately 12 to 15 people are placed in supportive housing each year. Supportive housing serves individuals with chronic health conditions, long-term mental illness, chronic substance use, or long-term homelessness, as well as repeated use of emergency rooms and jails. Rising rents continue to increase the number of homeless.

Mayor Kmet cited an example of an older homeless couple encountered during the recent Point in Time count. The couple indicated they did not feel safe using some of the shelters and elected to live in the woods. The man was wheelchair bound.

Ms. Martin spoke to barriers to service, which speaks to why some people do not access available services. Within adult sheltering systems, couples are separated, which creates problems for couples who may feel safer together. Consequently, many couples elect to live outside in the woods because they are together. The InterFaith Works Shelter attempts to accommodate couples to the extent possible. However, space continues to be the main issue as the shelter is attempting to accommodate many different needs in a small space. Highly gendered shelters also make it difficult to serve the LGBT communities. The shelter allows same-sex couples to remain together in the gendered dorm. The shelter also serves transgender individuals. The youth system has improved in serving the LGBT population while the adult system needs more improvements.

Mr. Harris described recent successful efforts to provide shelter to LGBT youths. Haven House has been serving youth since 1984. Youth staying in the system are able to attend schools in their respective school district or an alternative school. The program is licensed through the Department of Social and Health Services. For the young adult population of 18-24, services are accessed through street outreach or the drop-in center for the young adult shelter. The goal is to obtain housing and coordinated entry as part of that process. In partnership with ESD 113, the Gravity School was established for youths to obtain a GED or participate in a high school completion program.

Discussion ensued on homeless youth and the importance of youth maintaining continuity with their schools. School districts must provide transportation to students who may become displaced outside the school district.

Mr. Harris shared information on the foster care program at CYS Services. This year, the Legislature extended foster care to foster youths aged 18-21. The legislation enables CYS to work with foster youths to develop skill sets to avoid becoming homeless.

Panel members shared information on the lack of sufficient capacity at

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 5

local shelters, especially during the cold weather.

Councilmember Althausler asked about the impacts of the region not having a warming center. Ms. Martin replied that InterFaith Works operates a 42-bed night shelter. Thirty-seven of the beds serve ongoing individuals with five drop-in beds. The organization also operates the Community Care Center in partnership with Providence and Sidewalk and 16 other community partners. The center serves approximately 200 individuals daily. The facility offers hygiene facilities and a day room, as well as a clinic. The intent of the center was to be in tandem with a warming center for additional day center capacity. When the warming center was not funded, concerns were conveyed about the impact on the area surrounding the Community Care Center. Consequently, many homeless individuals began camping around the center. During a recent code blue from Thurston County during snow and freezing conditions, the First Christian Church provided overflow shelter services serving between 75 and 115 individuals in addition to the number of people served at the Community Care Center. The camping situation was resolved when additional shelter options became available.

Panelists addressed questions on the number of homeless who are not from Thurston County but choose to locate in Thurston County because of the availability of services. Based on the Point in Time surveys since 2002, as well as other surveys, approximately 75% to 95% of individuals experiencing homelessness in Thurston County have lived in the area.

Information on Thurston Thrives and its Housing Action Team was shared. The Housing Action Team was established from the work of the HOME Consortium to address services, funding, capital, and policy changes necessary in the community for housing and homelessness. Different subgroups were organized to maintain focus. One of the subgroups is the Homeless Housing Hub. Coordinated Entry is a subgroup of the Homeless Housing Hub, as well as a Cold Water Task Force. The groups are working on different issues and challenges. The Housing Action Team serves as the local continuum of care to leverage funds for other organizations in Thurston County totaling over \$800,000 that did not previously exist. The Housing Action Team is also a member of the state continuum care of 34 counties that have leveraged over \$6 million in funds within the state.

Of all the Thurston Thrives Action Teams, the Housing Action Team is the most active, connected, and has acted on more measures. Agencies and individuals have worked together for at least 10 years, which is reflective of the ability for the area to achieve some successes.

Mr. Owen shared information on how the four organizations and the City of Olympia facilitated and obtained information from the community and

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 6

other service providers to draft the county's Five-Year Homeless Housing Plan. The City of Olympia successfully passed a Home Fund tax measure as part of a larger plan to target a need. Across the community, private foundations and public funding sources are coordinating similar to the way service providers coordinate together. He stressed the importance of having a reliable Home Fund budget each year to fulfill needs. The goal is to coordinate the funding system to the same extent that service providers have successfully coordinated.

Mayor Kmet asked about the source of funds for rapid rehousing. Mr. Owen said the funds are a mixture of local, state, federal, and philanthropic funding.

Councilmember Cathey asked about efforts to provide affordable housing. Mr. Owen replied that eviction prevention and other activities are coordinated through the diversion process. Landlord engagement has been pursued to maintain stable rental rates or negotiate transition for long-term placement. Ms. Martin emphasized how diversion, rapid rehousing, and permanent supportive housing focus on the housing component.

Approximately 37,000 households in Thurston County are cost-burdened. The non-profit community builds approximately 40-50 new subsidized apartments each year. It is important to target scarce resources where the need is most severe. Evictions also contribute to the problem of homelessness. A prevention clinic is offered at the Thurston County Courthouse to work with tenants to protect their rights under the Landlord Tenant Act. As the rental market tightens and rents increase, tenants are more vulnerable to exploitation by some of the less ethical landlords in the community. The solution to the bigger issue in terms of the number of people becoming homeless, couch surfing, or households becoming cost-burdened is through community planning. Housing problems are solvable but not until some of the issues are resolved through the Growth Management Act (GMA) and impact fee systems that negatively impact the ability to provide affordable housing.

Discussion ensued between the panelists and the Council on how various services provided to the homeless eventually help people to become self-sufficient to divert them from long-term chronic homelessness and higher cost housing. Additionally, the structure attempts to divert the homeless to rapid rehousing rather than permanent supportive housing, which is more expensive. Diversion is important because it the most cost-effective way to combat homelessness. In 2016, the Sidewalk rapid rehousing program served more vulnerable adults than the permanent supportive housing system. Lower cost options are explored first prior to pursuing supportive housing. Among the vulnerable populations successfully moved from the streets and into homes, usage of ERs, jails, and ICU beds

TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 7

dropped radically. A recent study of a project in Seattle of a 75-unit building for vulnerable adults revealed cost savings to the public netting \$2,500 per month per person in the program.

Since the opening of the Community Care Center, St. Peter's Hospital has experienced a 35% increase in appropriate mental health enrollments and a 50% decrease in unnecessary visits to the emergency room. Not only are people accessing services at a higher rate, they are also decreasing the burden on the emergency room and obtaining needs through different avenues. Local statistics mirror national data as well.

Councilmember Oliva asked whether the Union Gospel Mission and the Salvation Army are integrated within the system. Mr. Owen said all the organizations are integrated within the cold weather system and the other systems as well. This year, Union Gospel Mission served up to 70 people during cold weather. However, that service will cease after April.

Mr. Knight invited the Council to consider visiting the Community Care Center, BHR project, or two housing projects in Tumwater. City Administrator Doan offered to coordinate between the Council and the facilities for a site visit.

Mr. Knight reviewed the March and April agendas beginning with a discussion on goals and strategies on homelessness, information on the Olympia Home Fund, and exploring affordable housing options. Another possibility is scheduling an interjurisdictional meeting on affordable housing and homelessness during a joint worksession with Olympia and Lacey.

Mayor Kmet shared that the City of Olympia is solidifying the use of funds from the Home Fund and is forming an advisory group.

Information was shared on the status of Olympia's efforts to administer the Home Fund. The Administrative Plan for the funds was finalized last fall prior to the election. The Plan lays out the basic policy framework. The Advisory Board will continue to work in support of the framework and would serve as the Request for Proposal (RFP) Review Committee for project applications.

Mayor Kmet stressed the importance of any interjurisdictional meeting to be well-planned and coordinated.

Councilmember Swarthout said the information shared during the meeting has contributed to her understanding of the structure and resources.

Mayor Kmet noted that the Legislature is also working on some legislation. Today, the City's code enables accessory dwelling units with

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 8**

virtually no restrictions. In Tumwater, zoning allows the placement of a duplex on a single-family lot.

Information was shared on a group of stakeholders to include Thurston County Commissioner Bud Blake and others who are meeting and reviewing pro formas and financing and how it translates to rent prices in buildings and how rents could be affected if square footage was altered, impact fees were changed, or sales tax exempted.

Mayor Kmet expressed concerns surrounding those discussions because the alternatives are in opposition to the GMA or impact fees. In the 90s when growth increased substantially, no resources were available to build the infrastructure to address growth, which is why impact fees were adopted. Each time a home sells, the realtor receives 6% from the sale. He has personally observed the continuous purchase and selling of a home on Tumwater Hill over the last 30 years. The house first sold for \$75,000. Today, the same house with no improvements is now selling for \$250,000. Impact fees are not the reason for the increase in the price of the house from \$75,000 to \$250,000. The reason for the increase is because of the 6% realty fee and bank fees. Blaming impact fees and jurisdictions for the problem is not beneficial to any discussion.

Mayor Kmet was advised that the meetings generated no discussion about the blanket elimination of impact fees, extending the urban growth area, or loosening restrictions in the rural areas. Focus of the conversations was on ways to create incentives for developers to create lower cost housing. The intent is increasing the supply of low-cost housing within the urban cores and using spreadsheets to review different development proposals to see how policy changes might affect the cost of those proposals.

Mr. Knight suggested the next worksession could include a conversation surrounding the Home Fund and a review of affordable housing tools and policies.

Councilmember McClanahan recommended having Olympia representatives share information on the many programs the City of Olympia is implementing to address homelessness as well as mental health.

The Council thanked the panelists for their incredible efforts in the community and for the helpful information.

Councilmember McClanahan shared information on efforts by the Thurston County Housing Authority to create low-cost housing within the region.

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
February 27, 2018 Page 9**

OTHER BUSINESS: Councilmember Oliva referred to the pending election of April 24 for the fireworks initiative. The Council has an opportunity to develop a position on the ballot measure. A majority of the Council expressed interest in developing a position statement.

ADJOURNMENT: **With there being no further business, Mayor Kmet adjourned the meeting at 7:50 p.m.**

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