

**TUMWATER CITY COUNCIL WORKSESSION
MINUTES OF MEETING
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CONVENE: 5:33 p.m.

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

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

REGIONAL HOUSING PRESENTATION BY CITY OF OLYMPIA: City Administrator Doan reported the City was contacted by City of Olympia officials who expressed interest in establishing a regional strategy on homelessness.

City of Olympia Councilmember Nathaniel Jones shared that the City of Olympia has engaged in a broad community-driven process to identify strategies and actions to respond to homelessness and the impacts caused by homelessness on the community. The approach emphasizes learning, dialogue, equity, and inclusion. The City of Olympia is inviting a cross section of the regional community to identify long-term strategies and actions and participate in the implementation of those actions. The intent is building on Thurston County's Five-Year Homeless and Housing Plan. The effort requires participation by citizens, local governments, the state, and other public and private partners to help develop and implement an effective response. He introduced Amy Buckler, Downtown Programs Manager with the City of Olympia.

Ms. Buckler reported last year, Thurston County and the City of Olympia declared growing homeless in the community as a public health emergency. Shelters in the county are at capacity with hundreds of people having no shelter who live in the woods, under bridges, in vehicles, or in downtown Olympia. The City of Olympia is flooded with emails and testimony from citizens asking the City to take action. Citizens are conveying information on human suffering for those who are unsheltered and being discounted from society. Many citizens are afraid to visit downtown Olympia because of unmanaged encampments that are seriously impacting the viability of the community.

Previously, the City of Olympia did not have a leadership role in homeless services as most services were offered by Thurston County and through the efforts of other jurisdictional partners. The City has

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stepped into a leadership role to respond to the crisis. Since last year, the City of Olympia initiated several new programs and hired the City's first Homeless Response Coordinator and other staff to support efforts. A successful safety ballot measure enabled the City to initiate a full-time downtown walking patrol and a mobile crisis response unit to address emergent issues. A new Familiar Faces program connects vulnerable people to services or unites them with their families. The Downtown Ambassadors Program is pursuing outreach on the street. The City's new Home Fund Manager is organizing elements to develop permanent supportive housing. The City purchased property for the first permanent supportive housing project and is preparing to open the Plum Street Tiny House Village serving 40 homeless individuals. The village helps individuals transition to permanent housing.

The City's pilot program with the faith community supports local churches interested in hosting tiny houses on church properties. The City is assisting in funding restroom and garbage services.

The City is also providing funding support to Community Youth Services (CYS) and the Salvation Army for 24/7 support with a temporary homeless mitigation site established in downtown Olympia to help address public health and safety issues. As the City of Olympia continues to respond to emergencies throughout the year, the City is also embarking on a process to develop long-term strategies and actions.

Ms. Buckler invited the Council to join the conversation. The process uses the model of Participatory Leadership, which includes a set of principles and methodologies that emphasize learning together and engaging in strategic conversations. The process begins with learning about all existing strategies embedded in local and county plans followed by structured conversations online and in community meetings to engage participants to share opinions. Finally, the process moves to identifying strategies and actions within the region.

Ms. Buckler reviewed a graphic of the overall process anticipated to occur over nine months. The process follows a path of learning, dialogue, and identification of strategies and actions. As Thurston County adopted its Five-Year Housing and Homeless Plan, the intent is to build upon and implement some actions in the plan. The purpose of the proposal is to identify how to respond effectively to homelessness and its impacts in Olympia, as well as in the region through regional implementation with all regional public and private stakeholders.

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A community workgroup was convened to help guide and shape the process. The workgroup is comprised of up to 12 Olympia community members with a diverse range of perspectives. The workgroup is hosting conversations with the community to identify strategies and actions. Implementation partners are entities that have influence in the development of policy or funding, such as the City of Tumwater and other jurisdictions, as well as “resource partners.” Resource partners are entities or individuals with data and information on actual conditions. Those entities include social services providers, downtown businesses, and others.

The City of Tumwater is invited to participate in a structured community conversation in the spring to share information with other implementation partners to generate ideas and share information about what the City has learned about the community’s experience with homelessness and the City’s potential role. During the summer, the workgroup will share information and test draft strategies. Outreach to community leaders will test those strategies. By fall, a workshop will be convened to identify possible partnerships.

Ms. Buckler encouraged the Council to sign-up to receive email updates from the City of Olympia to stay current on efforts. Weekly emails are disseminated on the City of Olympia’s emergency response to homelessness. The email updates includes information on the status of the homeless response plan process.

Councilmember Sullivan referred to the Council’s work last year on homelessness and affordable housing to develop strategies and actions. Ms. Buckler replied that she was unaware of the Council’s work, which would be helpful to add to the conversation as other entities or partners could assist in implementing some of the City’s actions and strategies. Councilmember Sullivan urged Ms. Buckler to review information on the City’s efforts last year.

Mayor Kmet asked about the type of people the City is serving at the Plum Street Village and the status of construction of an apartment building off Martin Way. Ms. Buckler said the Martin Way property includes a vacant building. The long-term vision for the property is for a permanent supportive housing facility. An existing building may remain, as some discussions have occurred for using the facility as a respite center and partnering with a medical provider to provide services to homeless individuals recently released from the hospital at a much lower rate rather than remaining hospitalized. A permanent supportive housing structure would be new construction on the property.

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Several unmanaged encampment sites are located in the downtown area in addition to the City's temporary homelessness mitigation site. The mitigation site is located at the corner of Olympia and Franklin. An unmanaged encampment is located off State Avenue. The goal of the mitigation site was to mitigate public health and safety concerns and provide more oversight, safety, and order. The City is seeking a second site to remove the unmanaged site, as the situation is not manageable. The City was able to reduce the site by half and continues to identify safer places for individuals. The City is assessing the site every six months to determine if the site should remain or be removed. The next step is to identify another City-owned mitigation site to offer a safe place for the homeless. The mitigation site provides limited basic services and a sense of safety for the occupants. The site is fenced and services are offered through partnerships with social service providers.

City Administrator Doan added that because of the recent Ninth Circuit Court Boise decision, the City of Olympia has been challenged in its ability to remove encampments. Prior to removing encampments, the City is required to locate another alternative. The managed mitigation site provides the City with a temporary alternative until the City can identify other housing options.

Ms. Buckler said the City is also exploring whether a policy of dispersing encampments is an effective alternative as many of the homeless are victims. Moving homeless individuals often perpetuates continuing harm to those individuals and it increases the difficulty for them to take positive steps to improve their lives. It is important to provide a safe place for the homeless and connect them to services. The mitigation site has implemented a code of conduct enforced by the residents within the site. No policies are in place prohibiting drugs or alcohol. In most cases, the mitigation site provides the ability for individuals to establish a self-governance structure resulting in more rules than if the City imposed rules.

The City is utilizing the region's Coordinated Entry process for the Plum Street Village site and is relying on the vulnerability index, as well as targeting the homeless in Olympia and those residing at the mitigation site. SideWalk and Low Income Housing Institute are serving as the site managers for the Plum Street Village. The goal is to move as many people from the mitigation site to the Plum Street Village as possible. The Plum Street Village will provide 29 tiny houses serving at least 40 individuals (couples). Residents must abide by a code of conduct to include no sex offenders and no use of drugs or alcohol on the site.

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Ms. Buckler answered several questions from the Council. The goal of the City is to locate other areas for mitigation sites other than the downtown area. The City is actively searching for other sites outside the downtown core. The City is limited in its ability to trespass individuals from camping on public property if no adequate shelter is available. The mitigation model has been effective; however, there is a need for other mitigation sites within the county to serve the homeless. No defined or adopted goals would prohibit camping in the downtown area; however, it is important to eliminate downtown camping to ensure the viability of the area.

Councilmember Althaus said he recently toured both sites and encouraged other Councilmembers to tour the sites. He was able to speak to many residents at the sites and learn about their personal stories. One individual was employed in Tumwater and needed a bicycle to travel to work. He was able to obtain some stability and safety within the mitigation site. Other individuals have been assisted in obtaining identification and submitting for various support services.

Ms. Buckler clarified that the invitation to the City is to be part of a region-wide response that the City of Olympia initiated. The City has initiated many efforts and the downtown strategy has identified that as the region continues to grow, downtown Olympia may no longer be able to support sheltering for the homeless. The process offers a way for all communities to join and pursue a path each community believes is important, as well as inviting the broader public to help understand and develop a homeless response.

Plum Street Village is opening the first week in February with move-ins occurring in phases. An open house is scheduled on January 31, 2019 from 3 to 6 p.m. The Council is invited to attend. Access to the site for residents is from the Old City Hall parking lot near the Yashiro Japanese Garden.

Ms. Buckler shared information on the City's efforts and policies to address threatening behavior, drug transactions, and fights in downtown Olympia. Many of the activities are legal, but very concerning. Many people have mental health issues in the downtown area. The City is working with social services providers to connect those individuals to needed services. The Familiar Faces program provides peer navigators who are establishing trusting relationships with people to provide assistance. Some successful results have been achieved.

Councilmember Oliva inquired about the public process for the community workgroup. Ms. Buckler said the workgroup meetings

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would not be open to the public. However, the intent of the workgroup is to help shape and define the process for the region. Opportunities are available for public input online and by attending workshops and connecting with the cities, Thurston County, and other partners to provide input for influencing development of strategies and actions.

**FUNDING REQUEST
AND PRESENTATION
FROM SIDEWALK:**

Phil Owen, Executive Director, SideWalk, described the process for individuals seeking services prior to the establishment of the Coordinated Entry System. To access services, homeless individuals signed up on separate waiting lists at different venues. The system was unmanaged with periodic meetings between the providers. Coordinated Entry was formed to coordinate a common direction to provide homeless services. In 2011, SideWalk was established with the first year funded by the City of Olympia, Family Support Center, and CYS. Over time, the process has provided a clear path for participants and numerous services to assist the homeless seeking housing and shelter.

Today, Coordinated Entry coordinates services for rapid rehousing, emergency shelter, permanent supportive housing, behavioral health, healthcare, and employment service through a network of providers. SideWalk and the other two entities meet each month for Coordinated Entry planning.

Mayor Kmet asked how permanent supportive housing and other available housing stock are factored within the Coordinated Entry process. Mr. Owen identified the entities providing permanent supportive housing for the homeless, which is targeted to the most vulnerable population. Another system of low-income housing is separate and provides many housing units than the homeless housing system provides. Many communities are offering incentives and inviting low-income housing providers to join the homeless system. Those providers receive some incentives to drop some of the barriers for entry, as well as prioritizing people who are experiencing homelessness. For the Thurston region, low-income housing providers are not currently serving the homeless system.

The Coordinated Entry System has created some centralized management to enable initial contacts with some of the low-income housing partners. However, that effort would involve discussions with each jurisdiction to determine the type of incentives for those partners to join the system. He cited some previous efforts that afforded a dozen additional placements into an adult family home.

The creation of the Coordinated Entry System was mandated by the

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Federal Department of Housing and Urban Development funneled through the Washington State Department of Commerce. Local communities receive federal and state homeless grants with a requirement of a coordinated entry system. Thurston County contracts the service with contracts centralized through the Family Support Center as the lead. Coordinated Entry fulfills the requirement for state and federal funding.

People experiencing homeless last year visited SideWalk 5,200 times. The three-year average reflects 1,200 new homeless individuals each year equating to 100 people each month who are new to experiencing homelessness. Over 1,335 people have moved from the streets since 2012 to some form of housing.

Mr. Owen reviewed the organization's average expenses of \$577,698 each year. Recently, SideWalk has encountered some financial problems. Under the Coordinated Entry System, SideWalk only receives \$30,000 each year from public funding. That amount funds approximately .5 FTE and office supplies. Because of the number of appointments, the agency is experiencing a funding deficit. The agency has struggled to the extent possible with optimism that fundraising would close the gap. In 2017 through 2018, the agency was able to increase fundraising by 35%. However, in 2017, the agency experienced a \$108,000 loss and in 2018, the agency was able to close the funding deficit to \$24,000. SideWalk operated at a loss in 2018. The agency is no longer able to remain financially viable without additional funding support. To move the Coordinated Entry System forward, SideWalk requires approximately \$40,000 to operate through the month of February 2019. A fundraising gala is scheduled in March 2019. To address the deficit, the agency requires ongoing funding support. The City of Lacey has a strong interest in the Veteran's Services Program, which is a component of Coordinated Entry that offers services from a location in Lacey. The City of Lacey Council has expressed support and offered to provide funding for the program, which would assist in reducing the deficit by one-third.

Mr. Owen reported on an earlier meeting with the Thurston County Board of Commissioners to discuss the larger \$94,000 funding need. Commissioners preferred submitting the funding proposal through the Community Investment Partnership (CIP) RFP process and was not comfortable making a decision outside of that process. However, Commissioners offered \$20,000 in emergency funding to assist the agency through July when the RFP process opens. By reducing some staff hours and with the \$20,000 offered by the county plus an additional \$40,000, the organization would be sustainable until July.

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Mr. Owen reviewed the financial controls at SideWalk that include separation of duties, dual control of cash donations, grant monitoring, and audits. Policies dictate a full financial audit every two years; however, SideWalk completed two financial years since separating from Interfaith Works and failed to have an audit completed. SideWalk is prepared to pursue an audit when funding becomes available.

Councilmember Dahlhoff asked whether staff has reviewed streamlining and reducing staff hours as an option prior to seeking additional funding. Mr. Owen said SideWalk has an ongoing process of attempting to streamline work to control program costs. The first year of Coordinated Entry, program costs for SideWalk were \$110,000. Excluding the veteran hub in Lacey, the costs are similar today. Regulations and guidance are more extensive and the process has increased in complexity creating a larger workload. SideWalk has been able to control growth in costs through streamlining. The initial request for funding was updated because of the timing of the reimbursement anticipated from Thurston County. SideWalk did not realize Thurston County would require the organization to funnel the funding request through the RFP process, which would result in funding in August. Additionally, SideWalk recently learned that historic grants received in January and February are not likely this year.

Councilmember Sullivan asked whether any of Sidewalk's partners provide any financial support. Mr. Owen advised that nonprofit providers do not reimburse SideWalk for referrals.

Councilmember Swarhout asked about the reason for the spike in costs in 2018. She was advised that the spike in 2018 was caused by several factors. In 2017, SideWalk contracted with the City of Lacey through Community Development Block Grant (CDBG) funds to manage the Veteran's Housing Program at the Lacey Veteran's Hub. SideWalk hired a veteran's housing manager. The contract expired in mid-2018 requiring SideWalk to budget the funding. Concurrently, SideWalk subcontracted with Interfaith Works, which increased budget expenses.

Mayor Kmet inquired as to why SideWalk would assume funding from the CDBG would continue when it was only a one-time funding source. Mr. Owen replied that the City of Lacey offered funding to open a satellite at the Veteran's Hub. SideWalk had already worked with volunteers to initiate a volunteer-based veteran's service program prior to the opening of the hub. SideWalk valued the service for those who have served the country. During discussions with the City of

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Lacey, future funding opportunities were discussed from the veteran's system to continue the program. A number of funding programs are available for veteran programs. SideWalk learned that most of those funding programs are targeted to existing housing programs or employment service programs and not for coordinated entry services. Staff believed that fundraising would sustain the program, which was not as successful as envisioned creating a cash flow issue.

Councilmember Dahlhoff pointed out that the reason for a finance committee is to project and budget for the worst case scenario to ensure no budget surprises. She asked about the organization's checks and balances. Mr. Owen admitted the organization has been operating at a level of risk with the assumption that grants and fundraising would sustain the organization. Councilmember Dahlhoff shared that her concerns is the lack of ongoing stability to guard against similar occurrences. It is important to implement checks and balances and coordinate with Family Support Center and CYS. She questioned why conversations were not occurring on a monthly basis if the organization was facing a financial crisis. Mr. Owen responded that for effective emergency support services, a stable source of funding is required, which speaks to the funding request. Coordinated Entry, when appropriately managed, is a fundamental foundational necessity for the system. Councilmember Dahlhoff asked why the other two partners, as part of the coordinated effort, are not experiencing similar financial issues. Mr. Owen replied that the Coordinated Entry System as a whole is underfunded. Kitsap County is a comparable community to the Thurston region. In Kitsap County with a similar sized population and entry rates, the system is funded at \$300,000 a year. The system has struggled over time and has encouraged funding for Coordinated Entry at an appropriate level.

The Council and Mr. Owen discussed the organization's previous funding levels, current contracts, program costs for each contracted program, and ending balances for 2017 and 2018. Over half of the organization's funding is from government grants. Mr. Owen explained that if SideWalk receives \$40,000 in emergency assistance from Olympia and Tumwater, the City of Lacey commits to providing \$55,000 to support the veteran's program. Along with reducing staff by a .75 FTE, the organization would have no funds remaining in March creating the circumstance of not meeting payroll.

Mr. Owen addressed questions on the cost of the veteran's program, outgoing payments and reimbursement processes affecting the budget, the CIP RFP process, and the lack of a long-term strategy to address an ongoing deficit.

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Trish Gregory, Family Support Center of the South Sound, explained the county's funding formula. Thurston County contracts with the Family Support Center for approximately \$125,000 each year. The amount is allocated between two shared full-time Washington Service Corps staff members. Family Support Center retains the administrative portion because it assumes the burden of Coordinated Entry policies and procedures and monitoring of subcontracts and ensuring compliance for state and federal requirements. The remaining funds are split evenly between the Family Support Center, SideWalk, and CYS. A coordinated effort has been ongoing to increase the funding for the Coordinated Entry System – specifically the entire system to ensure all components are healthy and attain a status similar to the Kitsap program. Thurston County's approach was somewhat different as it identified existing organizations to utilize existing capacity until capacity could be established for the Coordinated Entry System. Family Support Center leverages many more resources. Both agencies receive funds through the federal government and within the county contracts, staffing is available for the Rapid Rehousing Program that supports the Coordinated Entry System. The Family Support Center has multiple funding components while Coordinated Entry is not a core of the agency as the agency is funded and stable without Coordinated Entry. SideWalk is funded by Coordinated Entry for some of its general operations for staffing for the program manager, data coordinator, and volunteer coordinators.

It was noted that one of the strengths of SideWalk in the community is its ability to leverage over \$250,000 worth of volunteer time in the community.

Mayor Kmet commented on the finite amount of funding available to all communities. He recommended the organization should budget the amount of funds required to fund a specific level of service and the costs required to support those efforts. Fundraising could supplement additional needs, but the funding sources identified should serve as the organization's budget.

Discussion ensued on potentially increasing the level of support from the Family Support Center, anticipated fundraising proceeds from the March event, and worst case scenario should SideWalk no longer support the Coordinated Entry System.

Mr. Owen addressed questions about the function of the Board of Directors. Several Councilmembers commented on the apparent lack of oversight by the Board with respect to the organization's financial status. Mr. Owen reported the organization recently created a workgroup comprised of staff members and several Boardmembers to

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meeting monthly on developing an improvement process for financial controls and transparency.

Mr. Owen outlined the revised funding request of \$40,000 (split between Tumwater and Olympia) and anticipated action by Thurston County to provide additional emergency funds and a potential increase in funding of the Coordinated Entry System by July.

Councilmember Oliva inquired about the cost of an audit. Mr. Owen said dependent upon the complexity, an audit can cost approximately \$2,500 to \$5,000.

Mayor Kmet recessed the meeting from 7:55 p.m. to 8:08 p.m. for a break.

Mayor Kmet reviewed Sidewalk's funding request of \$20,000. Councilmembers shared comments and concerns surrounding the requested amount, appreciation of Sidewalk's efforts, lack of adequate funding availability, potential impacts to the community if Coordinated Entry was not sustained, concerns surrounding the agency's future solvency, timing of the request, and lack of any guarantee that the same situation would not be repeated within the next several months.

Councilmember McClanahan said the issue would not have occurred if the Home Consortium had remained in place. After the Home Consortium was absorbed by Thurston County, the funds disappeared.

City Administrator Doan acknowledged a majority agreement by the Council to support a funding amount of \$12,500, require an audit of SideWalk, and draft a contract with Family Support Center for the Council's consideration at its February 5, 2019 meeting.

**HOUSING
DISCUSSION VENUE:**

City Administrator Doan requested guidance on deferral of issues surrounding the housing action plan, regional housing projects, and follow up on the work of the CIP in terms of whether the issues should be forwarded to the General Government Committee, Public Health and Safety Committee, or a Council worksession.

The Council discussed options and agreed on the importance of ensuring consistency. Councilmember Althaus commented that some issues would be appropriate for follow up by a committee while other issues should be vetted during a worksession. Mayor Kmet suggested that the general framework of any issue would be established during the worksession and then referred to a committee for final details.

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**MAYOR/CITY
ADMINISTRATOR'S
REPORT:**

Mayor Kmet reminded the Council of the Homeless Survey on Thursday, January 24, 2019. Councilmembers Dahlhoff and Oliva confirmed their participation.

Councilmember Dahlhoff updated the Council on the status of a proposal to upgrade 911 communications from analog to digital. A bill is pending in the Senate to increase the sales use tax to 2/10^{ths} of one percent to help fund the transition.

Fire Chief LaVielle described the need for upgrading the 911 communications system. The existing system is nearing the end of its life cycle. A committee comprised of local fire and police jurisdictions developed a plan to present a proposal to the Legislature to add a ballot measure to increase the emergency communications sales tax limitation by 2/10ths of one percent to provide stable funding for emergency 911 system upgrades to increase interoperability communications between counties and jurisdictions.

Councilmember Dahlhoff reported the proposed tax increase is scheduled for consideration by the Local Government Committee on January 31, 2019. The request is for the Council to contact representatives and senators to urge support of the bill.

Fire Chief LaVielle addressed questions concerning affected jurisdictions and the type of system. The Washington State Patrol agreed to partner with Thurston County to participate in the new system.

The Council agreed to support the bill through a letter of support to the City's legislative delegation with a caveat that more information be provided on specific project details and costs.

City Administrator Doan reported on a request to provide ADA accommodations for an existing employee. The proposal would create a Records Clerk position to manage City records. The position would be funded for the first two years from Public Works Department because of the volume of records by the department with some General Fund capacity to fund the position. In this case, the City's Salary Schedule does not include the position, which will require the Council to amend the Salary Schedule to add the position.

The Council supported the request to include the position within the Salary Schedule.

Mayor Kmet commented on the number of bills supporting a

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statewide plastic bag ban. A proposed bill would preempt local authority. Generally, the Association of Washington Cities oppose bills that preempt local authority. He asked the Council to consider monitoring bills and consider whether the Council should support or oppose particular bills.

ADJOURNMENT: **With there being no further business, Mayor Kmet adjourned the meeting at 8:51 p.m.**

Prepared by Puget Sound Meeting Services, psmsoly@earthlink.net