

SYSTEM INNOVATION GRANT – RISK MITIGATION FUNDS

Building Changes is making (over the course of 2 years) \$428,000 available for Risk Mitigation Funds (RMF) to King County to support realignment efforts. The greater majority of the funds will be used over the course of the next two years to mitigate unanticipated financial costs impacting operations for transitional housing programs that have lowered their screening criteria in order to serve a broader range of families experiencing homelessness. Building Changes has granted \$50,000 directly to the YWCA to support the necessary administrative functions of this grant.

Risk Mitigation Funds (RMF) are available to transitional housing programs that support improved system access by reducing program screening criteria (to include owners of projects with homeless designated units operating as transitional housing and projects undertaking realignment). Funds are meant to assist in unanticipated operating costs, such as physical damages, vacancy losses, legal fees, and non-payment of rent above and beyond typical costs incurred. Programs demonstrating alignment with the screening thresholds outlined below can request financial assistance which will be drawn from this pool of funds. Funding requests will be vetted by a panel of local funders, and funds will be administered by the YWCA Landlord Liaison Program.

The community is committed to the success of families experiencing homelessness and the providers working with them. While we do not anticipate any significant changes to the operating costs of homeless housing projects due to the changes being implemented, the RMF provide a safety net should operating costs increase as a result of some of the shifts being made. This grant also provides a learning opportunity for our community; we will be able to explore to what extent system changes impact operating costs. Local funders are committed to this question and want to prevent programs from passing operating costs onto families experiencing homelessness.

Goals

There are two primary goals of the Risk Mitigation Funds:

- **Significantly reduce system barriers to entry for families experiencing homelessness**
 - While voluntary, programs are strongly encouraged to engage in this process given guidance and recommendations provided through the Coordinated Entry and Assessment Analysis & Re-Design process
 - By reducing and standardizing criteria across a broad group of agencies, Coordinated Entry & Assessment will be able to function more effectively and efficiently with referrals occurring in a more timely fashion
 - Families with children with more significant barriers to housing will not languish on the placement roster without a viable shelter or housing option
- **Develop a deeper understanding of the costs associated with operating homeless housing projects**
 - Align future funding allocations to reflect operating and maintenance costs of homeless housing programs

Strategies

After recognizing the complexity and subsequent barriers to entry existing among transitional housing programs, the City of Seattle Human Services Department met with Seattle Office of Housing and Seattle and King County Housing Authorities to explore what screening was being required from their funding sources and contracts. They were able to identify the lowest possible threshold (primarily governed by federal funding

requirements that the Housing Authorities have to follow). Seattle HSD then met with their funded transitional housing programs to work through budgetary and contractual requirements that prohibited programs from aligning with those criteria.

Building on the City of Seattle’s efforts and questions and concerns heard from community partners, Building Changes and the Committee to End Homelessness developed the Risk Mitigation Funds project in coordination with a group of local funding partners.

Agencies that adjust their criteria to reflect the thresholds outlined below can apply to access Risk Mitigation Funds. When funds are needed, programs will submit requests per the RMF Guidelines. Applications and requests will be vetted and approved by a panel of funders. The review committee will provide additional oversight and evaluation of this process.

Criteria Category	Threshold	Special Requirements (as applicable)
Security Deposit	Transitional Housing Programs: no more than \$25 Permanent Housing: income based with a minimum of \$25	
Rent	30% of income	
Income Requirement	Programs cannot require income at time of entry	Some programs may require limits on income (below 30% or 40% AMI, for example); Some program types may require households contribute income to rent according to some timeline. Programs can describe this at time of intake.
Screening or Other Fees	None to families	
Children/ Reunification	If no children in the household at time of intake, a plan to be reunified once housed If joint/shared custody, 51% custody	
Evictions	No eligibility requirements	
Credit History and Bankruptcy	No eligibility requirements	
Criminal History	Programs may establish criteria prohibiting tenancy to persons with: <ul style="list-style-type: none"> • Convictions for meth production • Open warrants • Arson convictions • Sex offense* 	*As of 3/23: Agencies have discretion on sex offense threshold but are strongly encouraged to consider nature of offense and how recently/frequently convictions occurred.
Housing Authority Debt	No eligibility requirements	SHA and KCHA require debt to other housing authorities to be paid in full. Both SHA and KCHA allow families to set up payment plans. Refer to SHA/KCHA guidelines and policies for more information.
Private Landlord Debt	No eligibility requirements	
Legal Status	No eligibility requirements	Any federal funds require at least 1 person in the household have legal status. This person can be a minor.
Allowable Household Size	Subject to specific occupancy codes as required by PHA or other jurisdiction	

Risk Mitigation Funds guidelines and tools can be found at www.kingcounty.gov/familyhomelessness.