



February 8, 2023

To: KCRHA Implementation Board  
KCRHA Governing Committee  
King County Regional Homelessness Authority  
Mayor Bruce Harrell, Seattle City Council  
Executive Dow Constantine, King County Council

From: Sharon Lee, LIHI Executive Director

**RE: LIHI Response to KCRHA Five-Year Plan**

The Low Income Housing Institute (LIHI) has had substantial experience providing services to homeless people throughout King County for over 30 years. Our body of work includes congregate and non-congregate shelters, tiny house villages, hotel shelters, tent city mitigation sites, Urban Rest Stop hygiene centers, pop-up winter shelters, RV safe parking, emergency housing vouchers, developing and operating permanent supportive housing, and the ownership of over 3,200 units of affordable housing in the region. From our experience as a nonprofit organization providing housing and services to low-income and homeless people, we are all too aware of the monumental task put before the King County Regional Homelessness Authority to develop a Five-Year Plan that fully engages on the complex issue of ending homelessness.

The draft KCRHA Five-Year Plan is not workable and should not be approved in its current form by the KCRHA Implementation Board and the Governing Committee. It should be retooled to be more realistic, it is largely incomprehensible, and does not have measurable or achievable outcomes. It also contains significant math and accounting errors, unfounded assumptions, poorly drawn conclusions, and the price tag of \$12 billion makes it infeasible. Rather than craft a proposal that solves every conceivable issue relating to homelessness; we propose revisions that narrow its focus to get everyone inside and to drastically reduce deaths of homeless people.

We offer criticism in the spirit of helping KCRHA restructure the plan to be realistic, workable and financially feasible. The emphasis is for KCRHA to take steps that are achievable, measurable and accountable, and that respond to these urgent needs:

1. To laser focus on a strategy to address the 7,600 people living unsheltered on the streets.
2. Urgently develop a robust, county-wide severe weather response system.
3. Drastically reduce the rising number of homeless deaths from exposure, fentanyl and other causes. There were 310 deaths of homeless people in 2022.
4. Work collaboratively with providers and people with lived experience to focus on low cost, efficient, common sense and practical solutions to improve the homelessness outreach and response systems.

We find these areas of the Five-Year Plan particularly concerning:

- Telling thousands of homeless people having to sleep outdoors that they have to wait for permanent housing to be built when immediate low cost shelter options are available is not a humane response when shelter beds are needed that night for families with children, youth and young adults, singles and people trying to survive in vehicles. We are not treating the problem as a true emergency. There are many low cost solutions to opening up more severe weather and year-round shelter beds. See our document on a road map attached: *Goal to Dramatically Reduce Unsheltered Homelessness*.
- The Five-Year Plan calls for building a staggering 15,690 new units of temporary housing at a one-time capital cost of \$3.3 billion and up to \$1 billion in annual operating costs. There is no identified roadmap, no information on where new revenue sources are coming from, nor is this a realistic goal! LIHI has instead proposed a three to five year plan that shows how we can add 7,000 short-term and year-round shelter beds; engage faith-based community partners; improve “throughput” and transition people more quickly into housing; and get everyone who is unsheltered into a warm and safe place. See attached.
- The plan calls for five years of zero investments in tiny house villages —the most sought after form of shelter—yet calls for spending \$139 million to create 4,722 parking spaces for homeless people living in cars and RVs. Hundreds of people who were formerly living in vehicles have been moved into tiny houses and then successfully into permanent housing. The City of Seattle, King County and suburban cities do not want to see massive parking lots for 5,000 people, including families with children, to stay living in their vehicles.

- We found math errors and unexplained computations. Under the Non-congregate Shelter section (page 30) it shows funding for 7,137 shelter beds with a capital cost of \$286,472 per bed in 2023, \$343,987 per bed in 2024, \$74,917 per bed in 2025, and \$138,091 in 2026. These wildly different costs are not explained. Nowhere is there mention that a typical village of 50 tiny houses has a \$15,000 per bed cost.

### **Tiny House Villages**

We also wish to set the record straight on Tiny House Villages. There are many agencies that sponsor tiny houses or micro shelters such as Catholic Community Services, Nickelsville, Chief Seattle Club and many churches are also sponsors. The data clearly shows the superior performance of tiny houses over other forms of congregate and non-congregate shelters.

Even KCRHA's own plan states: "existing micro-modular shelters," commonly referred to as "tiny homes"... "have consistently higher utilization rates at 90% (in comparison to the broader system's 77%), and preliminary data suggests that they create pathways to stabilization and higher rates of exit to permanent housing: nearly 50% thus far, compared to previous congregate shelter models, which produced exit rates to permanent housing of 14-19% in recent years."

The desirability of tiny houses as a model of shelter is also corroborated by the City's own HOPE Team and Human Services Department. Data<sup>1</sup> shows that only about 36.5% who receive shelter referrals actually show up to that shelter and stay overnight. According to a recent report from PubliCola: "In general, tiny house villages—private mini-shelters that are among the most desirable forms of shelter currently available in King County—had a much higher enrollment rate than congregate shelters. Three of the four highest-performing shelters on the HOPE Team's list were tiny house villages."

Tiny houses are far and away the fastest, least expensive, most private form of emergency shelter. Villagers have their own private, insulated, heated, dry space with a locking door. They have access to hot showers, flush toilets and a kitchen. People living unsheltered prefer tiny houses over conventional shelters because they can bring

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<sup>1</sup> Erica Barnett, "Shelter Enrollments from City referrals, Already Under 50%, Dropped In First Months of 2022", Publicola, May 6th, 2022

partners, possessions and pets. A tiny house village of 50 houses with a modern hygiene center, common kitchen, caseworker offices, fencing and security office costs approximately \$750,000 (including leasing land, utilities, common facilities).

A City Council Central staff memo also concluded that tiny houses have the lowest capital cost compared with other forms of shelter and housing: “The emergency or permanent housing option with the lowest capital cost to create the unit is tiny house villages, which would require an estimated \$15,000 per tiny home for startup.” The annual operating cost for tiny houses is also the lowest when compared with hotel sheltering or permanent supportive housing. A tiny house village takes 3-6 months to build compared to 4-5 years for a conventional building. See below Table 6 from the 7/6/2021 City Memo:

*Table 6: Average Capital and Operational Costs of Non-Congregate Shelter and Housing Programs in Seattle*

Housing or Shelter Program	Average Capital Cost Per Unit	Average Operational Cost (Annual) Per Unit
Tiny Home Village	\$15,000	\$20,000
Hotel Sheltering	\$33,000 - \$39,000	\$23,000 - \$64,000
Rapid Re-Housing	-	\$17,000 - \$35,000
Affordable Housing with Light Services	\$350,000	\$12,000 - \$14,000
Permanent Supportive Housing	\$350,000	\$23,000

LIHI’s tiny house program boasts a nearly 50% rate of exits to permanent housing according to HMIS data. Other shelters are performing at 14-19% exits to housing. Our vacancy rate is near zero, compared to 23% vacancy rate of other shelters as noted in the 5-Year Plan data. Assuming a 50% annual turnover, and occupancy of 1.2 people per unit, a 50-unit village would serve 120 people. It’s been LIHI’s experience that tiny house villages can accommodate a wide range of individuals and couples who have been living unsheltered including people with chronic health conditions, mobility issues, mental health and substance use issues, provided that the program is adequately funded to include caseworkers, behavioral health specialists and access to health care. Operating costs for a village serving high acuity individuals would be \$1.2 million.

Tiny House Performance Comparison - HMIS Performance Dashboard			
<i>Shelter Type</i>	<i>Permanently Housed</i>	<i>Utilization Rate</i>	<i>Return to Homeless</i>
Tiny Houses Average	47%	92%	3.8%
All Shelter Average	16%	76%	9%

\*KCRHA Dashboard Date Range 10/1/2020 to 9/20/21; Tiny Houses HMIS Date Range 1/1/2021 to 12/31/2021

RHA also calls for a reduction in the number of tiny houses from the current 439 to 384. This is based on KCHRA staff and their consultants determining that in the next five years only 1.11% of the need will be for tiny houses. KCHRA claims that among the people they interviewed, only two preferred tiny houses! But the interview questions KCRHA used in the 2022 PIT doesn't include any questions about preferences – So who was asked? We have asked KCRHA to share the results of these 180 interviews; as far as we know they have never been published.

The 1.11% need for tiny houses flies in the face of the facts on the ground. Anecdotally, we repeatedly hear from outreach workers that nine out of ten of unsheltered people tell them their first choice is a tiny house. Danny Westneat reported that according to the City, the number one reason unsheltered people rejected offers of shelter: “Want a tiny house” (Seattle Times 1/14/2023). The Five-Year Plan itself notes that “for many years [micro-modular shelters] have offered a significantly more attractive option than traditional congregate shelters.”

This raises a big question about the plan's methodology. We understand that to determine the relative needs for different temporary housing models, KCRHA used a sample of 180 individuals, selected from 1000 interviews they conducted during the 2022 point in time count. That means KCRHA based the entire 5-Year Plan for the 53,754 individuals they estimate may become homeless in each of the next five years on one sample of 180 individuals.

Further, we question the validity of sizing King County's emergency homeless response to serve 54,000 people per year. We don't question that this is the size of the universe of individuals who are *at risk of homelessness*. But the 54,000 figure includes households who receive any kind of homeless services including short stays in emergency shelters, housing counseling, diversion programs, etc, in other words; not

necessarily people with a long term need for shelter. More importantly, it doesn't factor in the large majority of people who self-resolve their homelessness every year. A University of Pennsylvania study<sup>2</sup> of New York City's homeless population found that over three years 81% of 59,377 people "enter the shelter system for only one stay and for a short period of time." 9.1% are episodic homeless and go in and out of shelters and stay longer. The chronic homeless comprise 9.8% and stay in shelters an average of 637 days. While this research is from 1998 and the landscape of homelessness has changed significantly; the data is helpful in understanding that a significant portion of the homeless population may not need extended emergency shelter services.



We strongly urge KCRHA to focus its scarce resources on serving people who are unsheltered *right now*. The 2022 PIT survey identified about 7,600 unsheltered people. Most observers agree that number is low; but it is a starting point to begin determining the scale of our response.

Focusing on the unsheltered homeless population should be the KCRHA's first priority for the next five years. Critical elements of that focus should be to rapidly expand tiny houses, hotels and other shelters; implement a robust severe weather response so no one has to stay outdoors in dangerous conditions; and significantly reduce deaths.

No single program can meet the needs of all people who experience homelessness. As the Five-Year Plan clearly states, the fentanyl crisis is causing enormous harm to the homeless population. While mental health and substance use are primarily the responsibility of King County, KCRHA must assist homeless service providers with the funding necessary to meet the increasing needs of clients with more severe behavioral health issues.

<sup>2</sup> Randall Kuhn, Dennis P. Culhane, "Applying Cluster Analysis to Test a Typology of Homelessness by Pattern of Shelter Utilization: Results from the Analysis of Administrative Data", University of Pennsylvania, 4/1/1998, Page 17.



KCRHA should incentivize other agencies that specialize in serving communities that are disproportionately represented among the homeless to develop and manage tiny house villages: Native American, Black and African American, immigrant and refugee communities, LGBTQIA2S+, youth, seniors, veterans and people exiting incarceration. LIHI stands ready to assist agencies with development, tiny houses and other services.

For all these reasons, we believe tiny houses should play a substantial role in the KCRHA's Five-Year Plan, in addition to a constellation of other low cost, quickly deployed program models to connect people to shelter and services.

Please see the attached two documents we drafted as models for the plan. These cover: Severe Weather and Winter Shelters and Expanding Year-Round Shelters.

### **Regional Coordination**

The state has a two-year old Rapid Capital Housing Acquisition Program where LIHI, YWCA, Sea Mar, Chief Seattle Club, King County and others were able to add over 750 units of enhanced shelter beds and permanent supportive housing units. The state budget and the Apple Health and Home Program will also bring new resources to King County. The Seattle Housing Levy and JumpStart have increased PSH units at a steady clip. When sufficient permanent housing resources are added we can reduce shelter bed needs. We can also increase throughput in the shelter system. These factors should be mentioned in the Plan. Instead Partnership for Zero, a brand new initiative is mentioned as a model program, but Partnership for Zero has only been able to house about 30 homeless people so far.

LIHI staff are willing to participate with other providers and people with lived experience to work with KCRHA to improve and provide meaningful input into the Five-Year Plan.

Thank you for the opportunity to comment on the plan. Jon Grant and I can be reached at [sharonl@lihi.org](mailto:sharonl@lihi.org) and [jon.grant@lihi.org](mailto:jon.grant@lihi.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Sharon Lee", is written over a horizontal line.

Sharon Lee

Executive Director, Low Income Housing Institute

[sharonl@lihi.org](mailto:sharonl@lihi.org)

9/27/2022

Date



## Attachment #1

### Goal to Dramatically Reduce Unsheltered Homelessness

#### 1. Severe Weather and Winter Shelter

##### Strategy Timeline and Measurable Outcomes

**KCRHA Performance Target:** A three year plan to eliminate deaths from exposure and prevent hypothermia and frostbite by **providing 3,500 unhoused people with emergency and cold weather shelter**. RHA reported that 1,000 people were served by severe weather shelter and refuge in 2022<sup>1</sup>. The target in 2023 is to increase numbers served by emergency cold weather shelters by 1,500 to a total of 2,500 people served. In 2024, an additional 1,000 people will receive emergency cold weather shelter for a total of 3,500 people who will be kept warm and safe from the elements.

##### Measurable Outcomes:

1. **Develop a list of 10-15 service providers for RHA to contract with to open temporary short-term facilities for severe weather during the winter and summer months.** 1,000 people were served in 2022. Scale up numbers to serve 2,000 unsheltered people in 2023. Utilize nonprofit facilities, community centers, senior centers, repurposed empty commercial spaces, and other spaces that are available during daytime, as well as in evenings and weekends when other resources are typically not available.
2. **Develop agreements in 2023 and contract with 10 to 20 churches and temples throughout the region to open up their space for 500 people for overnight shelter.** RHA to provide incentive funding to faith-based organizations to cover 25 to 50% of insurance, utilities, beds, staffing and other costs. Contract with umbrella organizations like the Church Council of Greater Seattle, United Way, and the United Black Christian Clergy of Washington to reach out to their members. Lower cost solution.
3. **RHA to establish a budget each year for Severe and Cold Weather Shelters.** This should be no less than \$2.5 million in 2023 to accomplish #1 and #2 above. Increase funding for new beds added in 2024 and 2025. Daily shelter costs can



run from \$2,000 to \$6,000 per day per facility depending on size, set-up, staffing, meals, supplies, etc.

4. **Starting in 2023, develop agreements with 20 suburban cities to open public space** in gyms, lobbies, community centers, meeting rooms, and city halls to shelter an additional 1,000 people throughout the county during severe weather. Urge suburban cities to cover their own costs. Make arrangements with King County and City of Seattle to open up recreation centers and public buildings. Make arrangements with Port of Seattle, Metro, Sound Transit and Seattle Central and other public colleges to open up spaces during severe weather.
5. **Starting winter of 2023 move to a system where overnight Winter Shelter is offered from October through March** to protect people from cold weather—rather than just sporadically when temperatures dip below freezing. Move to a system of guaranteeing a person the same bed each night so they don't have to queue up to wait or risk being turned away with no other place to go.
6. In 2023 RHA to modify street outreach contracts and adopt a unified approach so that **dedicated outreach workers, including system navigators, are scheduled to work evenings and weekends** to assist vulnerable people to get indoors to stay safe and warm<sup>2</sup>. This includes helping to arrange transportation in the late afternoons and evenings for people to get to shelters, day centers, hotels and tiny house villages. During the coldest freezing winter days there should be a surge of outreach workers deployed to locate and bring people indoors. This is a low cost solution as RHA is shifting the work schedule for outreach workers that are already under contract.
7. **RHA to establish one phone number and an interactive website** that shows real time vacancies at emergency shelters in the county so that outreach workers, police, fire, and others can refer people to available openings.
8. When all shelters are full, RHA should fund agencies and outreach workers to **provide short term hotel vouchers for women, extremely vulnerable/frail individuals and families with children** who are on the streets at night with no

other place to go. Annual budget starting at \$800,000 will provide approximately 3,000 to 4,000 nightly hotel stays.

9. **Establish two day centers in 2023** for homeless people to get warm, stay out of the elements, charge their phones, rest, get coffee, and access hygiene services and referral services. Establish 2-4 more day centers in 2024 and 2025. Depending on size, budget approximately \$1.2 million in annual operating funds for each day center.
10. As the region's homelessness agency, **RHA should keep management, program staff and system navigators on the job or on standby** through the winter holidays (December 22 through January 3) instead of shutting down the entire agency during this critical period of time. Many homeless people face depression, critical mental health, safety and substance use during the holidays. RHA staff should be ready to be deployed to help staff severe weather shelters, offer transportation, and provide immediate support to people living outdoors.
11. **RHA and medical examiner to track deaths and hospitalizations due to inclement weather and exposure with the goal of achieving zero deaths by 2024.** Each incident should be used to improve the severe/cold weather response system.

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1. Duplicate count of people served as reported by RHA, page 63.

2. No RHA system navigators or contracted outreach staff are currently scheduled to work evenings and weekends. Many agency staff work M-F and stop work or will not take in shelter guests after 4pm or 5pm or on weekends. Even with some shelters experiencing high vacancy rates, homeless people cannot get into shelters in the late afternoon or evenings, when the need is the greatest. Homeless people are also not able to access blankets, tents, snacks, warm clothing, hand warmers, etc. from RHA contractors during evenings and weekends.

## Attachment #2

### Goal to Dramatically Reduce Unsheltered Homelessness

#### 2. Expand Year-Round Shelters

##### Strategy Timeline and Measurable Outcomes

**KCRHA Performance Target:** A three year plan to increase shelter for 3,500 people by expanding shelters, non-congregate shelters, tiny houses villages and emergency housing throughout King County; eliminating barriers to entry; and significantly reducing the number of unsheltered homeless families and individuals. RHA reports a current supply of 4,148 shelter beds, including tiny houses<sup>1</sup> and an unsheltered homeless population of 7,619.<sup>2</sup> Once the 3,500 new shelter beds are added along with the 3,500 severe weather shelter beds to the current number of 4,148 beds, the overall supply will total 15,296 beds. **Meeting this performance target will result in the ability to bring indoors close to 100% of the unsheltered homeless population.** The point-in-time count of the homeless population in King County is estimated at 13,368 (2022 PIT). This section complements the increase in severe and cold weather shelter beds found in the previous section. The plan is to add 1,000 year-round shelter beds in 2023, 1,500 beds in 2024, and 1,000 more beds in 2025. This proposal also incorporates the use of shelters and emergency housing for vehicle residents living in RVs, vans and cars.

##### Measurable Outcomes:

1. RHA to contract with nonprofit and faith-based organizations to **add 3,000 non-congregate shelter beds** region-wide in the form of 24/7 enhanced shelters, tiny houses villages, motel shelters, repurposed boarding homes and nursing homes, SROs, and apartment-style shelters. The cost proposal is detailed below. There are opportunities for vacant land, free rent, and low cost space. As documented by the City of Seattle, the lowest cost option is a heated and insulated tiny house in a supportive village setting at \$15,000 per tiny house. A hotel option is \$33,000 to \$39,000 per room. The most expensive option is \$350,000 for an apartment.<sup>3</sup>
2. RHA to contract with nonprofit and faith-based organizations to **establish 500 more year-round congregate shelter beds** in different parts of the region where basic shelter is lacking and are in high demand. There is still a role for

some small number of congregate shelter arrangements if they meet an immediate emergency need and are designed to support the target population. The congregate shelters can take many forms including shared rooms, dormitory style, the use of partitions, repurposed commercial spaces, sanctioned tent encampments, etc. These can include lower cost capital investment models that provide overnight or 24/7 stays. A subset of these shelters should include programs that serve high acuity populations with appropriate staffing and services. The cost proposal is detailed below.

3. **One low cost strategy to “guarantee a bed” for a person. This can be the same bed in a shelter that a person can count on each night.** To significantly reduce the number of tents and outdoor camping, one strategy is to offer a guaranteed bed and secure storage in a shelter. If a person knows they have a warm and safe place every night, plus security for their belongings, they would not need to keep a tent and camping gear ready in the event they get turned away from a shelter. This is a lesson learned from long term shelter stayers who return to the same shelter night after night. These people become good candidates for permanent supportive housing and low cost rental housing when paired with case management.
4. **By adding sufficient case management and housing navigation support to existing shelters we can attempt to double the rate of exits to permanent housing.** RHA data documents that only 14% to 19% of people served by congregate shelters transition to housing compared with close to 50% for tiny house villages and hotel models. This proposal will have RHA fund case managers and supportive services to improve outcomes in traditional shelters.
5. **The cost of providing emergency housing and shelter beds can be significantly reduced by utilizing public, private, nonprofit and faith-based land and buildings.** For example, many tiny house villages have no or low cost land as the City of Seattle, King County, Port of Seattle, Sound Transit, housing authorities, Tribes, religious institutions, civic organizations, private property owners, developers, and nonprofits have sponsored villages. There are vast inventories of vacant and underutilized land. Private owners can receive a property tax exemption for sheltering homeless people. Congregate shelters sponsored by religious entities have historically been very cost effective as

shelter beds are located in fellowship halls, meeting rooms, sanctuaries, etc. Church parking lots have been used for tent cities as well as safe parking.

6. **Cities including Olympia, Tacoma, Portland and Seattle have successfully used tent cities, mitigation sites, or sanctioned tent encampments to provide low cost emergency shelter.** There were 712 tents on the streets in Seattle in December 2022. The experience with SHARE, WHEEL, Camp United We Stand and others show the benefit of organized tent cities and their partnership with faith organizations. RHA should develop a plan to support safe tenting and case management services to increase the movement of people from sanctioned and unsanctioned tent encampments to housing.
  
7. **The ideal strategy is to get the families and individuals living in cars and RVs into shelters and permanent housing, not to create 4,722 long term parking spaces.** RHA calls for 3,128 new safe car parking spaces and 1,594 RV spaces to be set up throughout the county in the draft plan.<sup>4</sup> Currently 147 safe car parking spaces already exist in the community and one RV safe lot is in process.<sup>5</sup> The number of safe parking spaces should be drastically reduced as proposed. LIHI has moved in hundreds of families, couples and individuals who were living in their cars into tiny houses, shelters, hotel shelters, PSH and rental housing. Many other shelter providers have also moved people living in vehicles into shelters and housing without the need of safe parking lots. **Integrating the solutions for safe parking with increased shelter production would eliminate the bulk of the \$139 million called for in the Five-Year Plan for setting up and operating safe parking spaces for 3,128 cars. A significant number of RV dwellers can also be moved into tiny houses, non-congregate shelters and rental housing as opposed to spending \$54 million on 1,594 parking spaces for RVs.**<sup>6</sup> A recent survey documented that a tiny house was the number one choice of people living in RVs.<sup>7</sup> Some pilot programs could be set up to dedicate a new village for vehicle residents or set up an RV safe lot that combines RV parking with tiny houses. Also there are diversion services, legal aid, RV nesting strategies, financial assistance, supportive services that can be offered to RV dwellers (refer to other sections in Plan).

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1. RHA data cites 3,709 existing shelter beds and 439 tiny houses.
  2. RHA data
  3. Seattle City Council Central Staff, Cost Analysis of proposed Charter Amendment 29, report by Jeff Simms et al, July 6, 2021.
  4. See RHA 5YP, pages 36 and 37.
  5. RHA data, page 36 in 5YP.
  6. RHA cost estimate on page 37 in 5YP.
  7. Survey completed by the Scofflaw Mitigation Team of the ITFH