

## MEMORANDUM

**TO:** State Homelessness Coordinating Committee

**FROM:** Salt Lake County Office of the Mayor, Salt Lake City Office of the Mayor

**DATE:** May 9, 2016 (second revision)

**RE:** HB436 Spending Proposal

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This memo outlines a proposal regarding how to proceed with the funding secured from the Legislature this year and includes: 1) general principles that are important to fulfilling legislative intent and community expectations, and 2) a specific spending proposal summary that adheres to these principles.

### *Funding Request*

Our coalition requested \$27 million, phased over three years, to assist with specific efforts to redesign our current housing and homelessness system based on the shared outcomes of the Collective Impact on Homeless Steering Committee and the Salt Lake City Site Evaluation Commission:

<b>One-time for 2-3 facilities in Salt Lake County:</b>	<b>\$20 million</b>
<b>Ongoing for facilities (O&amp;M, enhanced services):</b>	<b>\$4 million/year ongoing</b>
<b>Ongoing for statewide prevention program:</b>	<b>\$3 million/year ongoing</b>

### *Funding Committed and General Spending Principles*

This year, the Legislature committed \$9.25M in first phase funding – one third of the total request. Because redesigning the system while maintaining community and political support will be very difficult, we must use this first phase funding carefully. The following principles are critical:

- **Fiscal Responsibility:** The legislative intent for this first phase funding is to assist with the full proposal as outlined above. While we are optimistic about future funding, it is not guaranteed. With only one third of our full request in place, we must be strategic and conservative.
- **Meeting Intended Needs:** We must preserve enough funding to achieve the outcomes that we promised over the full three-year period. Purposefully, the funds committed are *not* intended to put out fires in isolated pockets. If we do not make meaningful steps in this first year – steps that lead to the promised redesign of the housing and homelessness system as a whole – we will not be positioned to ask for additional funding.
- **Flexibility:** The \$27M proposal was cleanly divided into one-time and on-going expenditures; however, because the work will be phased over a three-year period, we need flexibility in the initial use of one-time and on-going funds. Ongoing funding will necessarily need to be distributed according to different principles in the first three years than in later years.

Spending Proposal

Of the \$9.25 million committed, almost half is made up of on-going funds:

**Figure 1: Homelessness Funding Received FY 17 (Actual)**

Type and Source of Funds	
One-time	
<i>(General Fund)</i>	\$2.5 million
<i>(TANF)</i>	\$2.25 million
Ongoing	
<i>(General Fund)</i>	\$4.5 million
<b>Total</b>	<b>\$9.25 million</b>

The task going forward is to reserve a significant amount of one-time funding for facilities while increasing on-going funds to \$7M annually. Specifically, as illustrated below, to achieve our outcomes and adhere to the above principles, we must 1) spend a portion of the on-going funds awarded this year on facilities in SLCo and 2) preserve in escrow (carry-over) \$3.5 million of the funds awarded.

**Figure 2: Homelessness Funding FY17-18 Spending Proposal (in millions)**

Expenditure	FY17	FY18	FY19
One-time			
<i>(General Fund)</i>	0 <sup>1</sup>	-10.5 <sup>2</sup>	
<i>(TANF)</i>	1.2 <sup>3</sup>	1.05 <sup>3</sup>	
Ongoing			
<i>(General Fund)</i>	4.5 <sup>4</sup>	-6	
<b>Total Expenditure:</b>	<b>5.7</b>	<b>-15.45</b>	
<b>Carry Over</b>			
One-time			
<i>(General Fund)</i>	2.5	8	
<i>(TANF)</i>	1.05	0	
Ongoing			
<i>(General Fund)</i>	0	6	
<b>Total Carry Over:</b>	<b>3.55</b>		
<b>TOTAL</b>	<b>9.25</b>		

<sup>1</sup> Carry-over (hold in escrow) for land acquisition, architectural design, and facility construction in SLC/SLCO.

<sup>2</sup> Land acquisition, architectural design, and construction of facilities in SLC (overseen by entity TBD).

<sup>3</sup> O+M and services for shelter facilities in Salt Lake County serving families and children (administered by SLCO)

<sup>4</sup> \$4.5 million break down:

- Up to \$3 million: One-time capital funding for facilities for families and children in Salt Lake County.
- \$800K: One-time distribution of capital funding for other facilities that help achieve shared outcomes statewide, outside of Salt Lake County.
- \$500K: Strategic design of a statewide integrated service delivery and rigorous evaluation model that prevents entries into the homeless system, focusing on housing stability and related outcomes and prioritizing children and families.
- \$100K: Site selection process and community engagement (SLC oversees).
- \$100K: Facilities conceptual design (programming/pre-architecture concepts based on services) (SLCo oversees).

## Scheduled Allocation of Funds: Actions for May and July Committee Meetings

### May Meeting:

- **Distribute** \$100K to SLC for site selection process and community engagement
- **Distribute** \$100K to SLCo for facilities conceptual design (programming/pre-architecture concepts based on services).
- **Distribute** \$1.2 million in TANF funding to SLCo for the purpose of ensuring that the Midvale Family Shelter can operate year round in 2016-2017.
- *Obligate* \$1.05 million in TANF/General Funds to SLCo for the purpose of ensuring that the Midvale Family Shelter can operate year round in 2017-2018.
- *Obligate* \$500K for strategic design of a statewide integrated service delivery and rigorous evaluation model that prevents entries into the homeless system, focusing on housing stability and related outcomes and prioritizing children and families; RFP process and guidelines to be presented at July meeting.
- *Obligate* to State Homelessness Coordinating Committee a one-time distribution of \$800K in capital funding for other facilities that help achieve shared outcomes statewide outside of Salt Lake County; RFP process and guidelines to be presented at July meeting.
- *Obligate* \$2.5 million in one-time capital funding for facilities serving families and children in Salt Lake County and 500K to Midvale City for improvements to existing family shelters in keeping with legislative provisions; recommendations for distribution to be made in July through a process led by SLCo.
- *Obligate* \$2.5 million General Funds for land acquisition, architectural design and facility construction in SLC, held pending recommendations in Fall 2016 from a process led by SLCo and a site selection process led by SLC and subject to 2017 legislative appropriation.