

2019 GRANT SUMMARY PAGE

MENTAL HEALTH, CHEMICAL DEPENDENCY, AND THERAPEUTIC COURTS RFP  
KITSAP COUNTY HUMAN SERVICES DEPARTMENT

Organization Name: Kitsap Mental Health Services (KMHS)

Proposal Title: Permanent Supportive Housing Pre-Development

Please Check One  New Grant Proposal  Continuation Grant Proposal

Please check which area of the Continuum this project addresses:

<input type="checkbox"/> Prevention, Early Intervention and Training	<input type="checkbox"/> Medical and Sub-Acute Detoxification
<input type="checkbox"/> Crisis Intervention	<input type="checkbox"/> Acute Inpatient Care
<input type="checkbox"/> Outpatient treatment	<input checked="" type="checkbox"/> Recovery Support Services

Number of Individuals Screened: 120\* Number of Individuals Served: 70\*

\*Projected number of individuals served when permanent supported housing is operational.

**Proposal Summary:**

Kitsap Mental Health Services, the Bremerton Housing Authority and Kitsap Community Resources participated in a Permanent Supportive Housing Feasibility Study, which concluded that a 70-unit project was feasible in our community. This request will fund the predevelopment costs necessary to construct a 70 unit permanent supportive housing complex serving individuals and couples experiencing chronic homelessness and living with mental health and/or substance use issues. Note: Pre-development refers to the period between deciding to pursue a project and closing on the permanent financing and includes design, engineering, zoning, site testing and development services required to make successful application to Federal Home Loan Bank, the Housing Trust Fund and 9% Low Income Housing Tax Credits.

Requested Funds Amount: \$ 119,900

Matching/In-kind Funds Amount: \$ 134,500

Street Address: 5455 Almira Drive NE

City: Bremerton State: WA Zip: 98311

Primary Contact: Monica Bernhard Phone: (360) 415-6672 E-Mail: monicab@kmhs.org

Non-Profit Status: 501C3 of the Internal Revenue Code?  Yes  No

Federal Tax ID Number: 91-1020106

- If incorporated, attach a list of the members of the Board of Directors, including names and addresses.
- If not incorporated (sole proprietor or partnership), attach a list of the names and addresses of the principals.

 CEO 07/31/2018  
Signature Title Date

## KMHS List of Board Members

<b>Position 1</b>				
Name: <b>James Tracy</b>		<b>President</b>		
Board Term Expiration Date: 6/30/19	Number of Years on Board: 22 years 10 mos.	City of Residence: Kingston		
Experience and qualifications: Attorney – Land Use law				
<b>Position 2</b>				
Name: <b>Maureen Gaffney</b>		<b>President-Elect</b>		
Board Term Expiration Date: 6/30/19	Number of Years on Board: 1 year – 10 mos.	City of Residence: Bremerton		
Experience and qualifications: Retired – Registered Nurse				
<b>Position 3</b>				
Name: <b>Britt Feldman</b>		<b>Immediate Past President</b>		
Board Term Expiration Date: 6/30/19	Number of Years on Board: 7 years- 10 mos.	City of Residence: Bremerton		
Experience and qualifications: Naval Base Kitsap Installation, Manager – Fleet and Family Support Program				
<b>Position 4</b>				
Name: <b>Peter Douvis</b>		<b>Secretary-Treasurer</b>		
Board Term Expiration Date: 6/30/19	Number of Years on Board: 15 years –10 mos	City of Residence: Bremerton		
Experience and qualifications: Retired Sr. Vice President Kitsap Bank				
<b>Position 5</b>				
Name: <b>Jan Tezak, RN, MN</b>		<b>Board Member</b>		
Board Term Expiration Date: 6/30/20	Number of Years on Board: 9 years 10 mos.	City of Residence: Poulsbo		
Experience and qualifications Retired Nursing Faculty, Olympic College				

<b>Position 6</b>		
Name: <b>Bruce Harlow, Rear Admiral – USN (Ret)</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/2021	Number of Years on Board: 11 years–10 mos.	City of Residence: Poulsbo
Experience and qualifications: Rear Admiral, USN (Ret)		
<b>Position 7</b>		
Name: <b>Eve Willett</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/19	Number of Years on Board: 10 years–10 mos.	City of Residence: Tumwater
Experience and qualifications: Business Owner – Red Pony Insurance Services		
<b>Position 8</b>		
Name: <b>Jean Mackimmie</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/2020	Number of Years on Board: 23 years – 9 mos.	City of Residence: Bremerton
Experience and qualifications: Retired Public Health Nurse		
<b>Position 9</b>		
Name: <b>Patty Lent</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/19	Number of Years on Board: 8 years – 10 mos.	City of Residence: Bremerton
Experience and qualifications: Retired Mayor, City of Bremerton		
<b>Position 10</b>		
Name: <b>Steve Strachan</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/2021	Number of Years on Board: 2 years – 10 mos.	City of Residence: Bremerton
Experience and qualifications: Executive Director - Washington Association of Sheriffs and Police Chiefs, Former Police Chief – City of Bremerton		
<b>Position 11</b>		
Name: <b>Magdalena Pratt</b>		<b>Board Member</b>
Board Term Expiration Date: 6/30/2021	Number of Years on Board: 4 months	City of Residence: Bainbridge Island
Experience and qualifications: Attorney		

**Kitsap County Mental Health, Chemical Dependency  
& Therapeutic Court Programs  
2019 New Project Request – Permanent Supportive Housing Pre-Development**

**Attachment B**

**PROJECT BACKGROUND AND HISTORY:**

Kitsap Mental Health Services, the Bremerton Housing Authority (BHA) and Kitsap Community Resources (KCR) participated in the Community Frameworks (CF) led Permanent Supportive Housing (PSH) Feasibility Study which recently concluded that a 70-unit project was feasible in our community. Community Frameworks is a not-for-profit housing developer with a solid track record of developing PSH for specialty populations. The study was funded by a 1/10<sup>th</sup> of 1% Citizens Advisory Board grant to KCR and identified the project scope, potential sites, capital funding sources, and operating/services budgets for a PSH project designed to serve chronically homeless Kitsap County residents with behavioral health needs. The final Community Frameworks Feasibility Study developed and outlines a recommended financial plan, predevelopment timeline and task list based on a 70-unit PSH facility.

Although KCR contracted with CF to conduct the original feasibility study, over the course of the six-month assessment the study partners mutually agreed that KMHS, currently a housing provider for persons with serious mental illnesses and behavioral health disorders, take the lead as project sponsor moving forward. As part of the feasibility process, partners participated in site visits to several PSH projects, and CF led the partners in a series of stakeholder meetings that refined the project scope, thoroughly reviewed funding options, assessed potential sites, and facilitated discussion of the roles each organization might play in developing and operating a permanent supportive housing project. Early on, the partners achieved consensus that the most critical unmet need for homeless housing was the “hard to serve” homeless population, primarily single adults with serious mental illness and/or substance use disorders, who require significant support services in addition to safe and affordable housing. Consensus was to ground development and operations of the PSH project in principles of Housing First, the best practice known to improve overall health and well-being of those housed, reduce homelessness, reduce law enforcement encounters and unnecessary incarceration, and reduce emergency department visits.

This \$119,900 funding request will be used to fund a portion (45%) of the pre-development costs, the first step in building a 70-unit housing facility. Ultimately, the final number of units which can be built will depend on final site selection and zoning restrictions. PSH projects generally require a three year time span from start to finish, in order to secure and improve the selected site, generate the necessary funds from local, state, federal, loans and tax credits, and initiate and complete the construction process to occupancy. Projects in general, must first demonstrate that local funding sources are awarded, in order to further leverage these state and other financing sources. Given the scale of PSH, project development activities are usually conducted by a Housing Development company due to the complexity of financing; thus we propose continue in a contractual relationship with the feasibility study consultant, Community Frameworks.

## 1. PROJECT DESCRIPTION

### A. Project Design

This request will fund the predevelopment costs necessary to construct a 70 unit permanent supportive housing complex serving individuals and couples experiencing chronic homelessness and living with mental illness and substance use disorders. Pre-development typically refers to the period between deciding to pursue a project and closing on the permanent financing. The current project plan for this project indicates this process will take 27 months (January 2018 – March 2020).

**Project Deliverables:** The deliverables from the pre-development process will include:

- Feasibility Study (Completed: Funded via 2018 1/10<sup>th</sup> grant to KCR)
- Site selection (In process.)
- Rezone expenses
- Architectural Design
- Third Party Reports (i.e. Environmental, Soil testing, constructability reviews)
- Contingency
- Development Services: All project development from concept to opening doors including: 1) Managing Zoning requirements, 2) Making application for capital funding (Low Income Housing Tax Credits, Housing Trust Fund, Federal Home Loan Bank), 3) Assembling and managing work of project team (Architect, Civil Engineer, Attorney, Investor, and general contractor), 4) Setting up the LLC for Tax Credits, and; 5) Construction management (budget and compliance during construction).

The project will be approximately 50,000 sq. ft. housing facility designed to meet needs of the target population, with a capital budget of \$18.3M, and located in an appropriately zoned location in the City of Bremerton. Project Based Vouchers are critical to any PSH in order to sustainably finance annual operations, and without which, most PSH cannot be operated. BHA is the local housing authority able to award Project Based Vouchers and they are currently restricted for use within the Bremerton City limits. The site must also, to meet public grantor requirements, be close to transportation, food, and services. Project scope itself is dependent on acquiring a site of sufficient size and appropriate zoning to enable the desired unit count. The primary sources of financing will be 9% Low Income Housing Tax Credits, Washington State Housing Trust Fund, Federal Home Loan bank and local capital funding sources. Demonstrating local capital funding sources is essential to leverage large public funding, illustrating the local citizenry is invested in a project. If a suitable site that accommodates the proposed 70 unit facility cannot be identified in the City of Bremerton, so that at a minimum our community can meet a portion of the major gap in the Kitsap County Homeless Housing Plan, Bremerton Housing Authority has offered to sign over title to a BHA owned property, appropriately zoned, which would support a much smaller, though still very critical, 30-unit PSH facility. Overall! cost of the project would be reduced proportionately.

The Permanent Supportive Housing Feasibility Study was completed in June, 2018, with the study identifying a site in the “freeway corridor” of Bremerton. Unfortunately, shortly after the completion of the study the identified site had just become “under contract” with another developer. Given the urgency of the housing crisis faced by

people experiencing homelessness in Kitsap County, the KMHS leadership team with the support of the KMHS Board, voted to proceed with pre-development efforts and persist in securing a suitable site. Therefore, with the concurrent understanding that KMHS has access to the smaller BHA site as a back-up option or “fall back” position, we will continue dedicated effort to identify an optimal, suitable site with a capacity for 70 units during the months of August through December 2018.

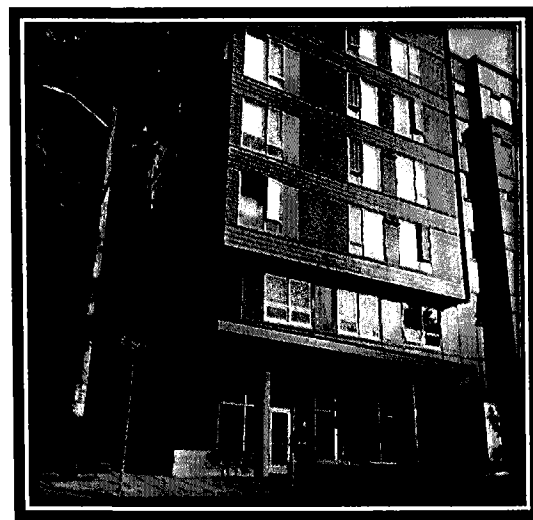
### Project Timeline

- Conduct an initial feasibility study which will include site identification, capital funding options, operating and service delivery funding options, risk analysis, potential project schedule, pre-development work-plan and budget, and an overall recommendation as to concept feasibility. **(Completed June 2018)**
- Identify site and assess suitability of the identified site including height, number of units, building footprint, utility connections, etc. **(August – December 2018)**
- Full Site Control: **March 2019**
- Preliminary Design: **April 2019**
- Construction Cost Estimates: **Summer 2019**
- Secure financing including preparing application: **April – December 2019**
  - Federal Home Loan Application: (April – December 2019 (notification))
  - Apply for local funding: 1/10th, CDBG, Coordinated Grant (June–September 2019)
  - Housing Trust Fund – September 2019 – December 2019
    - Apply for Low Income Housing Tax Credits (January 2020 – February 2020)
    - LIHTC Investor Selection: March 2020
- Contractor Selection: **(March 2020)**
- Complete Final Design, apply for permits: **(June – August 2020)**
- Construction Begins **(September 2020)**
- Construction Complete, Certificate of Occupancy **(September 2021)**
- Place residents into the new units **(September– December 2021).**

### Examples of Permanent Supportive Housing Projects



Catholic Charities, Spokane (50 units)



“The Estelle”, DESC, Seattle (91 units)

### **Who Will Be Served?**

This project is designed to serve 70 individuals and couples who are residents of Kitsap County, experiencing chronic homelessness, and living with serious mental illness and/or substance use disorders. Once the facility is opened, we anticipate screening 120 individuals for eventual placement of 70 residents.

### **What Services Will Be Provided?**

The service coordinators in the building will take the lead in developing housing stability plans for the people on their caseload. If the person does not want to participate, the plan will primarily focus on engagement efforts. Unit inspections will be conducted at least monthly and staff will look for unacceptable conditions such as fire hazards, hoarding and damage. The proposed supportive housing units will offer housing stabilization assistance without preconditions or service participation requirements, except for the expectation that participants comply with lease agreements. Services will include mental health and substance use engagement, housing search, primary care (including Medication Assisted Treatment), and employment services. And, while it is desirable for people to follow through with referrals to mainstream community resources and services, participation is not mandated, but presented as opportunities to improve housing stability, social, health, and economic well-being.

### **B. Evidence-Based, Promising, Best or Innovative Practices**

**Developing PSH:** Affordable housing models include permanent supportive housing (PSH), Housing First, and recovery housing. Permanent Supported Housing is community-based housing targeted to extremely low-income households with serious and long-term disabilities. It combines permanent housing with case management and wraparound care. Research shows that this approach often fits within what people experiencing homelessness are seeking and there is documented success.

<https://endhomelessness.org/ending-homelessness/solutions/permanent-supportive-housing/> and <https://store.samhsa.gov/product/Permanent-Supportive-Housing>

The proposed Permanent Supported Housing program will operate using the Housing First model, a nationally recognized best practice rooted in the premise that persons who are homeless do not have to agree to sobriety or treatment as a condition of entering or retaining housing. Housing First is also oriented to helping individuals and families sustain permanent housing quickly, regardless of prior engagement with services. <https://endhomelessness.org/resource/housing-first/>

### **At Time of Service Delivery: Engagement Models Use Evidence Based Practices**

At the point of operationalizing this PSH project, our approach will incorporate recognized evidence-based best practices into the participant engagement service delivery model. Practices listed here are applicable for all adults; research shows them effective for persons with behavioral health disorders. KMHS staff are trained in and use

- Trauma Informed Care (TIC) emphasizes physical, psychological and emotional safety for both consumers and providers. It helps survivors rebuild a sense of control and empowerment. By becoming “trauma-informed”, all parties can

recognize that people often have many types of trauma in their lives. A TIC approach supports creation of the safe provider/participant relationship necessary for recovery. <https://www.samhsa.gov/nctic/trauma-interventions>

- Motivational Interviewing (MI) is a method for facilitating and engaging intrinsic motivation in order to change behavior. MI is a goal-oriented, person-centered approach which helps people with mental health and substance use disorders and other chronic conditions such as diabetes, cardiovascular conditions, and asthma make positive behavioral changes to support better health. <https://www.integration.samhsa.gov/clinical-practice/motivational-interviewing>; <https://www.centerforebp.case.edu/practices/mi>
- Recovery Model: Endorsed by the Substance Abuse Mental Health Services Administration, this model is person centered and strengths-based, in contrast to the medical model which focuses on disease and disability. This practice will be used by the onsite behavioral health staff to engage center guests in services and recognizes that people can and do recover from mental illness and substance use disorders. <https://www.samhsa.gov/recovery>
- Peer to Peer Model: A model recognizing that people with lived experience of mental and/or substance use disorders have a unique capacity to help others based on a shared affiliation and deep understanding of this experience. In mutual support, people offer this support, strength, and hope to their peers, allowing for personal growth, wellness promotion, and recovery. <https://www.samhsa.gov/recovery/peer-support-social-inclusion>

### **C. Outreach**

Once KMHS has a Certificate of Occupancy for the facility, participants will be identified for housing through the Housing Solutions Center (HSC). The HSC team has strong referral relationships with PCHS, KMHS, KCR, Shelter providers, law enforcement, jail, therapeutic courts, the emergency department, and other local service providers so that persons in need of housing are almost always referred directly to HSC as the county's one-stop shop for housing services. HSC will also specifically identify the target population in several ways: First, the HSC is an active near daily partner to the Kitsap County Connect team and also provides its services twice weekly for participants at the Kitsap County Crisis Triage Center, and as such is responsible for identifying the most appropriate housing options available for each household. Both Kitsap Connect and the Kitsap County Crisis Triage Center program participants are among the highest utilizers of emergency services including EMS, law-enforcement, emergency departments, jail services, and the courts. These program participants are virtually always chronically homeless and in need of permanent housing, such as the housing created through this project. Second, the HSC has sites in Bremerton, Port Orchard, Poulsbo and Bainbridge Island where staff meet one on one with people who are homeless, often with behavioral health issues, and can be identified as benefiting from permanent supportive housing. When conducting intake with people experiencing homelessness, the HSC utilizes a recognized "vulnerability assessment" screen which ensures that only the most vulnerable households with a substance use disorder and/or mental illness are considered for this housing. HSC also has an AmeriCorps staff member focused on



community outreach and will engage homeless persons who are on the street, in emergency shelters, in makeshift camps and in drop-in centers. Third, the HSC will accept intake and screening referrals from other service providers including but not limited to, KMHS inpatient services, law-enforcement/EMS and therapeutic courts.

KMHS complies fully with local, state, federal laws and executive orders for national equal employment opportunity policies and provision of services. KMHS is committed to affording employment and participation to all employees, volunteers, interns, and applicants for employment, to providing agency services to consumers, and administering agency contracts consistent with applicable laws to ensure non-discrimination regardless of race, color, religion, sex, sexual orientation, national origin, creed, marital status, age, disabled veteran status, Vietnam era veteran status, disability, or other protected status under applicable laws. Cultural diversity training is conducted yearly for all staff; special population consultations are available.

#### **D. Evaluation**

##### **Primary Goals**

- 1) Increase the number of stable housing options for chemically dependent and mentally ill residents of Kitsap County by creating 70 units of permanent supported housing.
- 2) Reduce the number of people in Kitsap County who use costly interventions including hospitals, emergency rooms, and crisis services.

##### **Expected Long-Term Outcomes**

- 1) Reduction in number of unsheltered persons with mental illnesses and substance use disorders, including affiliated physical health conditions.
- 2) Reduction in mental health, substance use, and physical health crisis with concomitant reductions in unnecessary emergency department use and jail services.
- 3) Improvements in behavioral health/physical health that support living more successfully in the community.

**Plan for Data Collection, Management and Analysis:** Project goals, activities, and objectives outlined in Attachment D align with the project's performance outcome measures. The Chief Operating Officer and KMHS Development Team are responsible for managing the evaluation processes related to receipt of pre-development deliverables as contracted with Community Frameworks. With guidance of grantor epidemiologist, by January 2019 we will make any needed refinements to the evaluation plan. KMHS will ensure source documents associated with project activities are available for review according to the timeline described in the narrative and evaluation plan. Data collection methods rely on retaining and providing various items of written documentation such as legal site control, architectural design and estimated construction costs, with financing and funding applications and letters notifying receipt of awards. These documents provide confirmation of major activities necessary for successful completion of the pre-development phase of the PSH project and the established measures associated with each activity, objectives and outcomes. CF,

KMHS and our partners will also use these documents for quarterly shared analysis (or more frequently if needed) so as to proceed effectively to the next project phase. As the project moves forward, KMHS will employ a continuous quality improvement process (CQI) approach to the project milestones, in discussion with CF and our partners. Quarterly meetings will inform short, mid, long-term adjustments necessary to the program and facilitate communication of progress to both partners and funder. Quarterly reports will be written and available quarterly, or as otherwise requested by funders, and oral presentations of progress will be available upon request.

## **2. COMMUNITY NEEDS AND BENEFIT**

### **A. Policy Goal:**

This project will address the following three policy goals:

- 1. Increase the number of stable housing options for chemically dependent and mentally ill residents of Kitsap County** – This proposal would create 70 units of stable, permanent affordable housing for people with substance use disorders and/or serious mental illness.
- 2. Reduce the number of people in Kitsap County who use costly interventions including hospitals, emergency rooms, and crisis services.** – The Downtown Emergency Services Center (DESC) in Seattle has been the early adopter of the Housing First model and studies have demonstrated significant reductions in emergency service utilization following placement into a housing first facility. KMHS will operate this permanent supportive housing facility in accordance with proven Housing First operating models in Seattle and across the county. This attention to fidelity should ensure that our housing program will yield similar results as those experienced by DESC and other locations.
- 3. Improve the health status and wellbeing of Kitsap County residents** – Access to housing has long been identified as a key social determinant of health, given the underlying premise that once someone is stably housed they are far more likely to access support services including primary care and behavioral healthcare for mental illness and substance use disorders. Adding Housing First units will increase access to much needed permanent housing for this population, which in turn will improve the health and well-being of those who are served.

### **B. Needs Assessment and Target Population**

The 2017 Kitsap County Behavioral Health Strategic Plan notes that 43% of 1/10<sup>th</sup> of 1% survey participants identified permanent supportive housing as one of the top three priorities for support by this important community funding source. The Plan also noted that ongoing gaps in services included access to capital for behavioral health housing and permanent supportive behavioral health housing. These priorities will each be directly addressed by this proposal. The 2018 Update to the Kitsap County Homeless Housing Plan further noted that, “individuals with the most severe, persistent, or complex barriers to housing stability are the most underserved...and they tend to be

difficult to place in existing shelter beds.” These conclusions are well supported by the following statistics:

- The 2018 Point in Time Count indicated that 146 individuals were experiencing unsheltered homelessness and an additional 66 people were spending the night in a short-term winter shelter.
- Of the 1,199 Literally Households served by the HSC in 2017, 40% (478) households self-reported mental illness, 20% (134) Substance Use Disorders, and 11% (134) co-occurring disorders.
- Of the 65 individuals currently served by the KMHS PACT program, which provides intensive 24/7 wraparound services for those with the most severe mental illnesses in our community, 31% (20) of them are currently homeless.
- Among KMHS’s 2,931 active adult program participants, 10.2% (298) individuals currently report they are homeless or immanent risk of homelessness.

Kitsap County’s Housing and Homeless Program office also reports that for every 100 very low-income households qualified to receive affordable housing, there are only 12 units available. Rents have risen 47% since the beginning of 2014, and vacancy rates are around 4.6%, making it extremely difficult for low-income persons to attain or retain permanent housing of any kind. These factors only serve to strengthen the need for effective housing stability services for those who are also suffering with the added challenge of Persistent Serious Mental Illness and/or Substance Use Disorders.

### **C. Community Collaboration, Integration and Collective Impact**

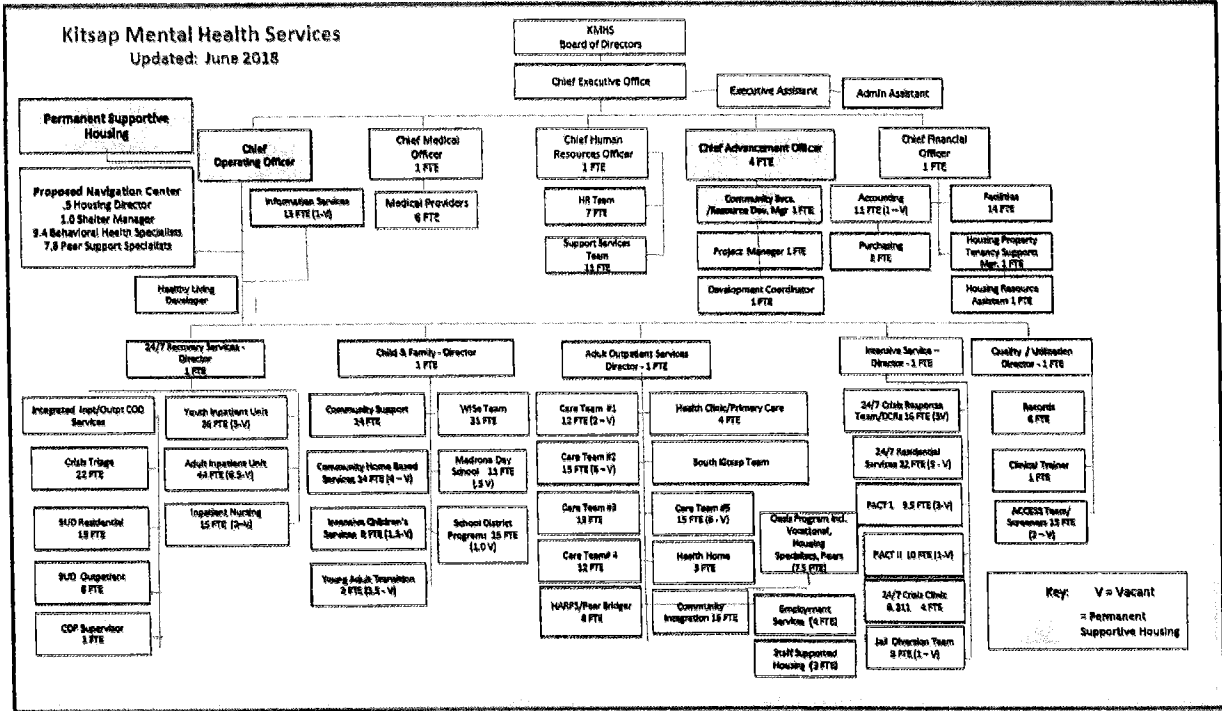
Kitsap County is fortunate to have several major services providers that are rooted in their desire to create and sustain a collective impact through the creation of permanent supportive housing units for people living in our community. In this proposal, each of the principle partners are bringing their core-competencies to the project:

- **KMHS:** Will serve as facility developer, owner and operator, and as operator, will provide onsite housing stability services as well as onsite engagement services to encourage and support treatment for mental illness and/or substance use disorders. KMHS will also function as property manager/landlord, ensuring a maintenance plan is in place and operationalized, and all property manager/landlord operational requirements are met.
- **Bremerton Housing Authority:** Will provide 56 Project Based Vouchers based on a 70-unit project. Project Base Vouchers are necessary to guarantee support of long term funding for ongoing facility operations and maintenance. BHA has also agreed to assign title to KMHS for an existing BHA property with a capacity to site and construct 30-units if necessary so that this critical project can go forward should a larger building site not be identified.
- **Kitsap Community Resources/Housing Solutions Center** – Will provide HSC intake, vulnerability screening, and housing referral services for the PSH tenants.

For purposes of moving forward with pre-development for this PSH project, KMHS intends to contract with Community Frameworks for development services. CF is a Seattle based non-profit housing developer with a site in Bremerton, and has been developing low income housing and community facilities for 40 years, including special needs housing for seniors, people with disabilities, victims of domestic violence, and homeless individuals and families. CF has developed emergency shelters, transitional and permanent housing and community service facilities throughout Washington State, in rural, small city, and urban locations. CF is based in Seattle with offices in Bremerton. Recent similar projects managed by CF include a 40-unit facility in Bellingham, 30-units of permanent supportive housing at Quixote Village near Olympia, and a 24-unit supportive housing complex for homeless families with children.

**3. ORGANIZATIONAL CAPACITY**

Kitsap Mental Health Services, a Kitsap County based not-for-profit 501(c)(3) committed “to shape the future of mental health through state of the science service delivery, community partnerships, and advocacy” for chronically and severely mentally ill adults, older adults, and children and their families was created by the Kitsap County Board of Commissioners in 1978 as a state designated comprehensive mental health center and sole provider of community mental health services for county residents with serious mental illnesses. KMHS today provides whole person, behavioral health care, including co-occurring substance use disorder treatment, chemical dependency treatment, primary care coordination and wellness programs, and in partnership with PCHS, offers primary care and a dental clinic on its main campus. It’s continuum of services include crisis services, inpatient, outpatient, residential, and housing programs. With its main campus in Bremerton, the agency maintains three additional offices in Kitsap County.



## A. Organizational Governance

**KMHS Board Capacity:** KMHS is governed by a twelve member Board of Directors. Members representing Kitsap residents and consumers of Mental Health services, experienced in health, behavioral health, law, business, public and military service. The Board of Directors is informed in their decision-making through monthly meetings, educated about programs, current service gaps, opportunities, trends, audit/regulatory compliance, and financial review. The Board of Directors set agency direction, policy, and maintains fiscal accountability; all internal policies require review and approval by the Board. A Chief Executive Officer (CEO) reports to the Board and is responsible for administrative oversight including overall direction, human and financial resources, budget and daily operations needed to meet the organization's mission as a designated community mental health agency.

**KMHS Leadership Structure:** Under direction of the CEO, the Executive Leadership Team (ELT) provides clinical and operational oversight and management for 500+ staff. The CEO is supported by a Strategy Team comprised of the Chief Medical Officer, Chief Operations Officer (CCO), Chief Financial Officer (CFO), Chief Human Resources Officer, Chief Advancement Officer and Executive Leadership Team (ELT). ELT members including a Medical Services Manager, Adult Outpatient Director, 24/Hour Services (Inpatient, Triage and SUD Residential Centers), 24/Hour Intensive Services Director (Crisis Response/DMHPs, Residential Treatment, PACT, Housing), Child & Family Services Director, an Information Services and a Quality Improvement Director. Each Clinical Services Director is responsible for multiple interdisciplinary teams ranging from inpatient to outpatient to residential services for both adults and children.

**KMHS Program Management Structure:** In addition to the ELT where program, staffing, budgeting and operations planning, implementation approaches and monitoring take place, the organization maintains bi-weekly meetings for system and quality assurance procedures and review, daily "huddles" for clinical Teams, weekly individual staff supervision for clinical and managerial staff, and meetings to address specific topics i.e. ongoing monthly meetings such as safety and security, Housing Triage, or emerging topics, such as Medication Assisted Treatment and others. Managers meet weekly with their staff. Clinical staff use daily huddles to discuss, review, and refine the various crisis, inpatient, outpatient, residential program and client services.

## B. Organizational Finances

**KMHS Fiscal Controls and Procurement:** Detailed financial information is reviewed monthly by the Finance Committee and Board. Fiscal oversight is via an accrual-based accounting system in full conformity with Generally Accepted Accounting Principles, state BARS and SAS reporting system. No staff can access check stock to initiate signing; registers require CFO approval, with extensive internal controls for recording transactions, authorizing, creating and distributing checks. Signatory authority is by CEO and Board Officers.

**KMHS Fiscal Management Capacity and Fiscal Review:** Board Policy directs the agency to strive to maintain a three month operating reserve to assure operational stability. A CFO identifies, implements, and manages financial systems and strategies. Fiscal policies address personnel, payroll, grants, contracts, travel and purchasing. Grant funds are coded separately. An annual audit is conducted by an independent Certified Public Accountant, in accord with the Single Audit Act; Auditor presents audit to the Board on completion. The agency has always had a record of “clean” audits. The most recent audit was for the year ended June 30, 2017 (audit for June 30, 2018 will occur September 2018). The auditors issued a clean audit report and did not note any significant issues for the year ended June 30, 2017. As noted in the financial statements, KMHS did make corrections to the beginning balance of Net Assets (the period ending June 30, 2016) to reflect accruals of community hospital expenses, revenue adjustments, and medical self-insurance liability.

**Procurement:** KMHS policy provides fair and equitable treatment of all persons or firms, assures supplies and services are procured efficiently, effectively, and at favorable prices; provides advantage to local vendors; provides safeguards for procurement quality and integrity; assures purchasing actions comply with applicable Federal standards, State, local laws, terms/conditions of grant, contract, gift or bequest, and assures at least two competitive bids for purchases or contracts \$25,000+.

#### **A. Staffing Qualifications**

While we describe below the two KMHS staff directly associated with project oversight and coordination with Community Frameworks to conduct the predevelopment phase for this PSH request, they are not included as a staff budget line item. These staff are:

##### **Pre-Development/Development Phase**

***Chief Operations Officer*** - Megan Kelly, MS, MHP. Megan is a Licensed Independent Clinical Social Worker with 30 years of experience working in community mental health systems. She has extensive expertise in Trauma Informed care and creating systems that wrap services around those in need. Megan manages all clinical programs at KMHS and will supervise the Housing Director position.

***Development Manager*** – Monica Bernhard. Monica holds a Masters of Finance and has 30+ years of professional experience including accounting/finance and 10 years in social services and housing program administration. Monica will be the primary liaison with Community Frameworks throughout the Pre-development process. She will also serve as the liaison with the KMHS Owners Representative during construction, and will be responsible for ongoing fund development efforts associated with the Permanent Supportive Housing project.

##### **Ongoing Permanent Supportive Housing Operations:**

No expenses are included in this pre-development budget for PSH operations staff, however, these staff positions are provided as the anticipated PSH staffing model and was included in the analysis to ensure that the operational aspect of this PSH project will “pencil out” through time. These positions are:

**Housing Director** – This position will be partially funded by PSH operations budget and will have overall responsibility for the Permanent Supportive Housing operations to include community partner engagement, recruitment and supervision, and facility management. No certification required. B.A. or Master’s degree plus five years’ experience directing housing programs.

**Site Manager** – This position will be staffed by an individual with a B.A. or Masters level education and will oversee day to day center operations including scheduling, intake, onsite partner activities, meals, security, and coordinating operations and maintenance requirements. This position will also manage landlord responsibilities associated with the facility.

**Behavioral Health Specialists** - The BH Specialists will hold a B.A. Behavioral Health Specialists assume responsibility for intake, outreach and engagement with behavioral health services (mental health and substance use), interpersonal conflict resolutions between guests and de-escalation of behavioral health situations. Agency Affiliated Counselor registration required.

**Peer Support Specialists** - Peer Support Specialists who have experienced mental health and/or substance use disorders will be available to encourage engagement in treatment services, accessing social services (DSHS, Food, Social Security, etc.), and will offer guests support, strength, and hope allowing for personal growth, wellness promotion, and recovery. Peer Counseling Certification required.

**Facilities Management, Maintenance and Security** staff will also be included in the operations budget.

## **B. Organization Licenses and Certifications**

For over 3 decades, Kitsap Mental Health Services (KMHS) has been Kitsap County’s sole provider of community mental health services for persons with acute and persistent, serious mental illnesses, serving over 6,800 persons annually. KMHS services are provided via multi-disciplinary teams, with integrated care treatment and services including mental health, co-occurring and singular substance use disorders, medication management, case management, care coordination with primary and dental care, vocational services, housing, and other needed services.

KMHS is a certified, licensed mental health agency holding additional licenses including but not limited to, co-occurring substance use and chemical dependency, residential treatment, and psychiatric evaluation and treatment. KMHS currently provides a continuum of services from Crisis Triage Center, acute inpatient evaluation and treatment (14 day), a “step down” 30-day residential treatment facility, 30 Day SUD facility, two Programs for Assertive Community Treatment (“hospitals without walls”), outpatient treatment services, and housing.

### C. History of Project Management

KMHS has extensive experience developing and managing major capital projects including the KMHS Main Campus, scattered housing sites throughout the County, Adult and Youth Inpatient Units, The Keller House Residential Facility and our newly completed Kitsap County Crisis Triage Center and 16-Bed SUD residential treatment facility. Most recently we opened the Kitsap County Crisis Triage Center, which required \$3.4M in renovations to an existing older facility, similar to the approach we will be taking with the Navigation Center. When Kitsap County vacated the site in November 2017, KMHS was able to immediately begin construction in January 2018, which recently completed and will open in August. It is also of note that while behavioral health staffing is a challenge statewide, KMHS aggressively and successfully worked to hire 52 staff (nearly all) for the August 2018 opening of the new Crisis Triage/SUD facility. Across these projects we have secured and administered funding via Housing Trust Fund (HTF), HUD, HRSA, HHS, DSHS, Washington State Commerce, Legislative allocations, CDBG, Building Communities Funds, the County Mental Health tax, bonds, bank loan, private foundation grants and conducted community fundraising. Projects are overseen by the KMHS Executive Leadership Team, each with assigned responsibilities. Operations Directors work with architects and project managers, monitoring construction quality, timelines and budget; Development creates funding plans, writes public and private grants, and initiates community engagement; Finance manages project budgets and monitors contracts to see projects to completion. KMHS's extensive construction experience requires our agency have a full understanding of Federal Contract regulations including management of bidding processes, Davis-Bacon Act, and construction management record keeping.

## 4. PROJECT FINANCIAL FEASIBILITY

### A. Budget Narrative

#### Pre-Development Cost Breakdown

In addition to the feasibility assessment which was funded by the 1/10<sup>th</sup> Citizens Advisory Board in 2018, Community Frameworks estimates the predevelopment costs to be \$245K. These include:

Development Services	\$95,000
Earnest Money/Rezone	15,000
Design	92,000
Third Party Reports	23,000
Contingency	<u>18,500</u>
<b>Total</b>	<b>\$ 243,500</b>

#### Funding Sources:

KMHS – 2018	\$ 65,000
1/10 <sup>th</sup> of 1%	109,000 *(plus 10% indirect)
KMHS – 2020 (if favorable to proceed)	<u>69,500</u>
<b>Total</b>	<b>\$ 243,500</b>



Indirect rate: 10% - From KMHS's audited financial statements for the fiscal year ended June 30, 2017, we spent approximately \$3.4 million dollars on administrative expenses that support our clinical operations. These administrative expenses are necessary to support all KMHS programs and services and include activities such as required human resources to hire and train our dedicated staff, information technology support and infrastructure, and general facilities repair and maintenance. Our program expenses total about \$24.7 million, so as a percentage, general administrative expenses are 13.9% of our program expenses. We limit our request to 10% consistent with grant guidelines.

Note: This request is only seeking support to fund the pre-development expenses associated with the construction of the permanent supportive housing project. The following outlines our plan to assemble the necessary capital development funds as well as ongoing operations.

### **Capital Expenditures – Permanent Supportive Housing Project**

The Community Frameworks feasibility study identifies a total project cost of \$18.3M for 70 units of permanent supportive housing. The base construction cost assumption is \$220 per square foot, plus sales tax and a 10% construction contingency. The actual total project costs will be dependent on the number of units that can be supported by the final site selected: Our CF recommended plan is to pursue the following funding sources:

- **Low Income Housing Tax Credits (LIHTC), 9%** – \$11,425,000 - The LIHTC program is the largest source of capital funding in the United States for affordable housing. In the 9% LIHTC program, a project receives an allocation of tax credits for 10 years in exchange for a commitment to provide affordable housing that would not be possible without this incentive. The credits are “sold” to an investor. To accomplish this, KMHS and the LIHTC investor create a Limited Liability Corporation, in which KMHS would act as the managing member.
- **Housing Trust Funds** - \$3,000,000 – The Washington State Housing Trust fund provides funding for a range of affordable housing types. In recent years allocations were given to projects serving “priority populations”, including people who are chronically homeless with serious mental illness and/or substance use disorders.
- **Federal Home Loan Bank** - \$750,000 – The Federal Home Loan Bank system is a congressionally chartered network of regional banks, which are required to contribute 10% of their net income to affordable housing each year. This funding is designated for the purchase, construction or rehabilitation of affordable housing.
- **Local Funding Sources** – We anticipate a significant portion of the remainder of the required funds would come from a combination of CDBG (City and County), Affordable Housing Grant Program, and 1/10<sup>th</sup> of 1% Mental Health, Chemical Dependency and Therapeutic Court programs.
- **Capital Campaign** – We will pursue major foundations including the Boeing Employees Community Fund, The Murdock Foundation, The Medina Foundation,

Ben Cheney Foundation and Norcliffe Foundation. KMHS will also seek capital support from the Managed Care organizations and CHI Franciscan.

### **Ongoing Operating Costs – Permanent Supportive Housing Project**

Once open, the operating budget is built based on these assumptions:

- Annual operating and service costs are estimated at \$13.5K per unit, based on CF experience with similar projects.
- Staffing – Eleven FTE are included in the draft operating budget for property management and services.

### **B. Additional Resources and Sustainability**

Ongoing resources to support ongoing operations, including repairs and maintenance, utilities, security and onsite services will be provided through several sources:

- **Project Based Vouchers** – The Bremerton Housing Authority will provide 56 project based vouchers (80%), assuming a 70-unit project. For these units, residents will be required to use 30% of their income toward rent and utility costs. The remainder of the rent, as determined by the Fair Market Rental standards for Kitsap County, will be covered by the voucher. This ensures a sustainable stream of market rate rent for 80% of the 70 units.
- **Rental Income** – All residents will be required to pay 30% of their income toward housing costs.
- **Medicaid** – The State of Washington Medicaid demonstration allows providers to bill Medicaid for certain supportive housing services for Medicaid eligible individuals meeting specified criteria including services utilization and chronic homelessness, both of which would apply to participants in this housing.
- **Local Funding Sources** - This permanent supportive housing project is not a residential treatment facility and, with the exception of supported housing and employment, administrative and behavioral health outreach services provided in this housing will not be billable to Medicaid. While the Project Based Vouchers provide significant operations support, a 70-unit permanent supportive housing project may also require some level of ongoing community investment to sustain operations.

EVALUATION WORKSHEET

PROJECT NAME: Permanent Supportive Housing Predevelopment

A. GOAL	B. ACTIVITY	C. SMART OBJECTIVE	D. TYPE OF MEASURE	E. TIMELINE	F. BASELINE Data and Date	G. SOURCE
<p>Create 70 units of stable, permanent affordable housing for people with substance use disorders and/or serious mental illness.</p>	<p>Engage Community Frameworks to identify site and assess suitability of the identified site including zoning, height, number of units, building footprint, utility connections; obtain site control, preliminary design and cost estimates, initiate financing requests.</p>	<p>Appropriate site identified and confirmed acceptable by partners (Dec 2018), with full site control obtained by March 2019.</p>	<p><input checked="" type="checkbox"/> Output  <input type="checkbox"/> Outcome: Participant satisfaction  <input type="checkbox"/> Outcome: Knowledge, attitude, skill  <input type="checkbox"/> Outcome: Practice or behavior  <input checked="" type="checkbox"/> Outcome: Impact on overall problem  <input type="checkbox"/> Return-on-investment or cost-benefit                      If applicable:  <input type="checkbox"/> Fidelity measure</p>	<p><input checked="" type="checkbox"/> Short  <input type="checkbox"/> Medium  <input type="checkbox"/> Long                      Start date:  <u>1/2/2019</u>                      Frequency:  <input checked="" type="checkbox"/> Quarterly  <input type="checkbox"/> Semi-annual  <input type="checkbox"/> Annual  <input type="checkbox"/> Other: _____</p>	<p>new</p>	<p>Site control documentation provided by previous site owner, possessed by KMHS</p>
<p>Click here to enter text.</p>	<p>Click here to enter text.</p>	<p>Preliminary Design completed by April 2019</p>	<p><input checked="" type="checkbox"/> Output  <input type="checkbox"/> Outcome: Participant satisfaction  <input type="checkbox"/> Outcome: Knowledge, attitude, skill  <input type="checkbox"/> Outcome: Practice or behavior  <input type="checkbox"/> Outcome: Impact on overall problem  <input type="checkbox"/> Return-on-investment or cost-benefit                      If applicable:  <input type="checkbox"/> Fidelity measure</p>	<p><input checked="" type="checkbox"/> Short  <input type="checkbox"/> Medium  <input type="checkbox"/> Long                      Start date:  <u>1/15/2019</u>                      Frequency:  <input checked="" type="checkbox"/> Quarterly  <input type="checkbox"/> Semi-annual  <input type="checkbox"/> Annual  <input type="checkbox"/> Other: _____</p>	<p>new</p>	<p>Preliminary Design documents provided by architect, possessed by KMHS.</p>
<p>Click here to enter text.</p>	<p>Click here to enter text.</p>	<p>Construction Cost Estimates obtained by August 2019.</p>	<p><input checked="" type="checkbox"/> Output  <input type="checkbox"/> Outcome: Participant satisfaction  <input type="checkbox"/> Outcome: Knowledge, attitude, skill  <input type="checkbox"/> Outcome: Practice or behavior  <input type="checkbox"/> Outcome: Impact on overall problem  <input type="checkbox"/> Return-on-investment or cost-benefit                      If applicable:  <input type="checkbox"/> Fidelity measure</p>	<p><input checked="" type="checkbox"/> Short  <input type="checkbox"/> Medium  <input type="checkbox"/> Long                      Start date:  <u>5/1/2019</u>                      Frequency:  <input checked="" type="checkbox"/> Quarterly  <input type="checkbox"/> Semi-annual  <input type="checkbox"/> Annual  <input type="checkbox"/> Other: _____</p>	<p>new</p>	<p>Construction Cost estimates provided by architect, possessed by KMHS.</p>

EVALUATION WORKSHEET

A. GOAL	B. ACTIVITY	C. SMART OBJECTIVE	D. TYPE OF MEASURE	E. TIMELINE	F. BENCHMARK	G. SOURCE
Create 70 units of stable, permanent affordable housing for people with substance use disorders and/or serious mental illness.	Engage Community Frameworks to identify site and assess suitability of the identified site including zoning, height, number of units, building footprint, utility connections; obtain site control, preliminary design and cost estimates, initiate financing requests.	Prepare applications and secure financing.	<input checked="" type="checkbox"/> Output <input type="checkbox"/> Outcome: Participant satisfaction <input type="checkbox"/> Outcome: Knowledge, attitude, skill <input type="checkbox"/> Outcome: Practice or behavior <input checked="" type="checkbox"/> Outcome: Impact on overall problem <input type="checkbox"/> Return-on-investment or cost-benefit If applicable: <input type="checkbox"/> Fidelity measure	<input type="checkbox"/> Short <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Long Start date: 4/1/2019 Frequency: <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annual <input type="checkbox"/> Annual <input type="checkbox"/> Other: _____	new	Financing award notifications received from funder and notifications of award in KMHS possession.
Click here to enter text.	Regularly meet with CF and partners to assure shared planning and investment in PSH project and inputs in project design.	<input checked="" type="checkbox"/> Output <input type="checkbox"/> Outcome: Participant satisfaction <input type="checkbox"/> Outcome: Knowledge, attitude, skill <input type="checkbox"/> Outcome: Practice or behavior <input type="checkbox"/> Outcome: Impact on overall problem <input type="checkbox"/> Return-on-investment or cost-benefit If applicable: <input type="checkbox"/> Fidelity measure	<input type="checkbox"/> Short <input checked="" type="checkbox"/> Medium <input type="checkbox"/> Long Start date: 9/1/2018 Frequency: <input checked="" type="checkbox"/> Quarterly <input type="checkbox"/> Semi-annual <input type="checkbox"/> Annual <input type="checkbox"/> Other: _____	new	KMHS record of meetings and high level discussion results.	
Reduce the number of people in Kitsap County who use costly interventions including hospitals, emergency rooms, and crisis services.	Develop housing facility and operations design based on Housing First, low barrier, PSH building design and staffing model for occupancy by December 2021.	<input checked="" type="checkbox"/> Output <input type="checkbox"/> Outcome: Participant satisfaction <input type="checkbox"/> Outcome: Knowledge, attitude, skill <input type="checkbox"/> Outcome: Practice or behavior <input checked="" type="checkbox"/> Outcome: Impact on overall problem <input checked="" type="checkbox"/> Return-on-investment or cost-benefit If applicable: <input checked="" type="checkbox"/> Fidelity measure	<input type="checkbox"/> Short <input type="checkbox"/> Medium <input checked="" type="checkbox"/> Long Start Date: 12/31/2021 Frequency: X Quarterly Semi-annual Annual Other _____	new	Written documentation :Facilities pass building inspection to open for occupants. Program Design model. Staff Hired and Trained. Occupancy Begins.	

**Total Agency or Departmental Budget Form**

Agency Name: Kitsap Mental Health Services

Project: Kitsap Housing Navigation Center

Accrual

Cash

AGENCY REVENUE AND EXPENSES	2017		2018		2019	
	Actual	Percent	Budget	Percent	Budget	Percent
<b>AGENCY REVENUE</b>						
Federal Revenue	\$ -	0%	\$ -	0%	\$ -	0%
WA State Revenue	\$ 25,299,312.8	84%	\$ 30,816,739.63	86%	\$ 32,111,952.00	82%
Local Revenue	\$ 1,627,939.3	5%	\$ 2,939,486.15	8%	\$ 5,962,633.20	15%
Private Funding Revenue	\$ 1,780,825.2	6%	\$ 1,007,234.64	3%	\$ 832,698.00	2%
Agency Revenue	\$ -	0%	\$ -	0%	\$ -	0%
Miscellaneous Revenue	\$ 1,407,324.0	5%	\$ 900,734.11	3%	\$ 200,385.60	1%
<b>Total Agency Revenue (A)</b>	<b>\$ 30,115,401.27</b>		<b>\$ 35,664,194.53</b>		<b>\$ 39,107,668.80</b>	
<b>AGENCY EXPENSES</b>						
<b>Personnel</b>						
Managers	\$ 3,412,467.91	12%	\$ 3,464,087.09	12%	\$ 4,315,142.40	11%
Staff	\$ 11,609,348.21	41%	\$ 13,281,005.76	44%	\$ 19,116,414.00	50%
Total Benefits	\$ 7,553,005.01	27%	\$ 6,862,354.72	23%	\$ 6,393,743.00	17%
<b>Subtotal</b>	<b>\$ 22,574,821.13</b>	<b>80%</b>	<b>\$ 23,607,447.57</b>	<b>78%</b>	<b>\$ 29,825,299.40</b>	<b>78%</b>
<b>Supplies/Equipment</b>						
Equipment	\$ 62,499.94	0%	\$ 236,885.05	1%	\$ 186,400.00	0%
Office Supplies	\$ 129,081.75	0%	\$ 156,562.81	1%	\$ 201,117.60	1%
Other (Describe) _____	\$ -	0%	\$ -	0%	\$ -	0%
<b>Subtotal</b>	<b>\$ 191,581.69</b>	<b>1%</b>	<b>\$ 393,447.86</b>	<b>1%</b>	<b>\$ 387,517.60</b>	<b>1%</b>
<b>Administration</b>						
Advertising/Marketing	\$ 7,005.78	0%	\$ 5,741.47	0%	\$ 11,000.40	0%
Audit/Accounting	\$ -	0%	\$ 1,500.00	0%	\$ -	0%
Communication	\$ -	0%	\$ -	0%	\$ -	0%
Insurance/Bonds	\$ 304,970.17	1%	\$ 306,146.09	1%	\$ 329,654.40	1%
Postage/Printing	\$ 156,892.66	1%	\$ 244,056.35	1%	\$ 297,390.00	1%
Training/Travel/Transportation	\$ 280,831.58	1%	\$ 317,646.64	1%	\$ 464,516.40	1%
% Indirect	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe) <u>Legal, Security, IT Systems, Investment Management</u>	\$ 134,931.55	0%	\$ 503,428.17	2%	\$ 996,750.00	3%
<b>Subtotal</b>	<b>\$ 884,631.74</b>	<b>3%</b>	<b>\$ 1,378,518.72</b>	<b>5%</b>	<b>\$ 2,099,311.20</b>	<b>5%</b>
<b>Ongoing Operations and Maintenance</b>						
Janitorial Service	\$ -	0%	\$ -	0%	\$ -	0%
Maintenance Contracts	\$ 618,112.04	2%	\$ 589,322.91	2%	\$ 671,283.60	2%
Maintenance of Existing Landscaping	\$ -	0%	\$ -	0%	\$ -	0%
Repair of Equipment and Property	\$ 336,430.49	1%	\$ 267,031.73	1%	\$ 291,999.60	1%
Utilities	\$ 496,317.96	2%	\$ 450,637.86	1%	\$ 516,099.60	1%
Other (Describe) <u>Food, Program, and Other Clinical Expenses</u>	\$ 348,021.79	1%	\$ 321,249.78	1%	\$ 483,753.20	1%
Other (Describe) <u>Medical and Pharmacy</u>	\$ 32,374.23	0%	\$ 32,148.46	0%	\$ 20,221.20	0%
Other (Describe) <u>Community Hospitalizations</u>	\$ 1,397,862.35	5%	\$ 1,772,261.13	6%	\$ 2,400,000.00	6%
<b>Subtotal</b>	<b>\$ 3,229,118.86</b>	<b>11%</b>	<b>\$ 3,432,651.87</b>	<b>11%</b>	<b>\$ 4,383,357.20</b>	<b>11%</b>
<b>Other Costs</b>						
Debt Service	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe) <u>Rent and Deprecation Expense</u>	\$ 1,443,285.41	5%	\$ 1,280,811.69	4%	\$ 1,604,793.60	4%
<b>Subtotal</b>	<b>\$ 1,443,285.41</b>	<b>5%</b>	<b>\$ 1,280,811.69</b>	<b>4%</b>	<b>\$ 1,604,793.60</b>	<b>4%</b>
<b>Total Direct Expenses</b>	<b>\$ 28,323,438.83</b>		<b>\$ 30,092,877.71</b>		<b>\$ 38,300,279.00</b>	

NOTE: If an expenditure line item is larger than 10% of the budget, include an attachment showing detail.

**Total Agency or Departmental Budget Form - Attachment Detailing Expenditures Greater than 10%**

<b>Excerpt of Items Exceeding 10% Threshold</b>							
	<b>2017 (Audited 7/1/16 - 6/30/17)</b>		<b>2018 (Unaudited 7/1/17 - 6/30/18)</b>		<b>2019 (Budgeted 7/1/18 - 6/30/19)</b>		
	<b>Actual</b>	<b>Percent</b>	<b>Budget</b>	<b>Percent</b>	<b>Budget</b>	<b>Percent</b>	
<b>Personnel</b>							
Managers	\$ 3,412,467.91	12%	\$ 3,464,087.09	12%	\$ 4,315,142.40	11%	
Staff	\$ 11,609,348.21	41%	\$ 13,281,005.76	44%	\$ 19,116,414.00	50%	
Total Benefits	\$ 7,553,005.01	27%	\$ 6,862,354.72	23%	\$ 6,393,743.00	17%	
<b>Subtotal</b>	<b>\$ 22,574,821.13</b>	<b>80%</b>	<b>\$ 23,607,447.57</b>	<b>78%</b>	<b>\$ 29,825,299.40</b>	<b>78%</b>	

Each item above is comprised of the following:

**Managers**

Clinical & Administration Management	3,412,467.91	3,464,087.09	4,315,142.40
Clinical Staff	9,502,998.48	10,470,530.30	13,990,664.40
Support Staff	2,244,812.41	2,568,551.74	5,081,115.60
	<u>15,160,278.80</u>	<u>16,503,169.13</u>	<u>23,386,922.40</u>

**Total Benefits**

Personal Leave (Budgeted in Wages)	2,011,023.32	2,295,849.30	-
Disability & Other Leave	175,415.18	181,217.70	44,634.00
FICA Taxes	1,259,381.61	1,353,139.52	1,881,625.20
Unemployment, Labor & Industries	228,021.31	273,132.53	358,521.60
Medical, Dental, and Vision Insurance	3,027,519.93	2,383,460.09	3,266,691.60
Retirement & Other Benefits	713,180.98	617,479.30	886,904.60
	<u>7,414,542.33</u>	<u>7,104,278.44</u>	<u>6,438,377.00</u>

## Special Project Budget Form

Agency Name: KMHS

Subcontractor:  Yes  No

Project: PSH Pre-Development

Enter the estimated costs associated with your project/program	Total Funds		Requested Funds		Other Matching Funds	
	Budget	Percent	Budget	Percent	Budget	Percent
<b>Personnel</b>						
Managers	\$ -	0%	\$ -	0%	\$ -	0%
Staff	\$ -	0%	\$ -	0%	\$ -	0%
Total Benefits	\$ -	0%	\$ -	0%	\$ -	0%
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>
<b>Supplies &amp; Equipment</b>						
Equipment	\$ -	0%	\$ -	0%	\$ -	0%
Office Supplies	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe):	\$ -	0%	\$ -	0%	\$ -	0%
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>
<b>Administration</b>						
Advertising/Marketing	\$ -	0%	\$ -	0%	\$ -	0%
Audit/Accounting	\$ -	0%	\$ -	0%	\$ -	0%
Communication	\$ -	0%	\$ -	0%	\$ -	0%
Insurance/Bonds	\$ -	0%	\$ -	0%	\$ -	0%
Postage/Printing	\$ -	0%	\$ -	0%	\$ -	0%
Training/Travel/Transportation	\$ -	0%	\$ -	0%	\$ -	0%
% Indirect (Limited to 10%)	\$ 10,900.00	4%	\$ 10,900.00	9%	\$ -	0%
Other (Describe):	\$ -	0%	\$ -	0%	\$ -	0%
<b>SUBTOTAL</b>	<b>\$ 10,900.00</b>	<b>4%</b>	<b>\$ 10,900.00</b>	<b>9%</b>	<b>\$ -</b>	<b>0%</b>
<b>Ongoing Operations &amp; Maintenance</b>						
Janitorial Service	\$ -	0%	\$ -	0%	\$ -	0%
Maintenance Contracts	\$ -	0%	\$ -	0%	\$ -	0%
Maintenance of Existing Landscaping	\$ -	0%	\$ -	0%	\$ -	0%
Repair of Equipment and Property	\$ -	0%	\$ -	0%	\$ -	0%
Utilities	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe):	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe):	\$ -	0%	\$ -	0%	\$ -	0%
Other (Describe):	\$ -	0%	\$ -	0%	\$ -	0%
<b>SUBTOTAL</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>	<b>\$ -</b>	<b>0%</b>
<b>Other</b>						
Debt Service	\$ -	0%		0%		0%
Development Services	\$ 95,000.00	37%	\$ 15,000.00	13%	\$ 80,000.00	59%
Rezone Expenses	\$ 15,000.00	6%	\$ 15,000.00	13%		0%
Design	\$ 92,000.00	36%	\$ 79,000.00	66%	\$ 13,000.00	10%
Third Party Reports	\$ 23,000.00	9%		0%	\$ 23,000.00	17%
Contingency	\$ 18,500.00	7%	\$ -	0%	\$ 18,500.00	14%
<b>SUBTOTAL</b>	<b>\$ 243,500.00</b>	<b>96%</b>	<b>\$ 109,000.00</b>	<b>91%</b>	<b>\$ 134,500.00</b>	<b>100%</b>
<b>Total Project Budget</b>	<b>\$ 254,400.00</b>		<b>\$ 119,900.00</b>		<b>\$ 134,500.00</b>	

NOTE: Indirect is limited to 10%

## Project Salary Summary

Agency Name: KMHS

Subcontractor: \_\_\_ Yes  No**Project: Permanent Supported Housing Pre-Development**

Description	
Number of Professional FTEs	0.00
Number of Clerical FTEs	0.00
Number of All Other FTEs	0.00
<b>Total Number of FTEs</b>	<b>0.00</b>

Salary Information	
Salary of Executive Director or CEO	\$ -
Salaries of Professional Staff (Hire June 2019)	\$ -
Salaries of Clerical Staff	\$ -
Other Salaries (Describe Below)	\$ -
Description: Behavioral Health Specialists (9.4 FTE, Hire August 2019)	\$ -
Description: Peer Support Specialists (7.8 FTE, Hire August 2019)	\$ -
Description:	\$ -
<b>Total Salaries</b>	<b>\$ -</b>
Total Payroll Taxes	\$ -
Total Cost of Benefits	\$ -
Total Cost of Retirement	\$ -
<b>Total Payroll Costs</b>	<b>\$ -</b>



# **Attachment H**

## **Letters of Commitment and Support**

Kitsap Mental Health Services  
Bremerton Housing Authority



# KITSAP MENTAL HEALTH SERVICES

July 30, 2018

Kitsap County Department of Human Services  
614 Division St. MS -23  
Port Orchard, WA 98366-4676

Dear Citizen Advisory Committee Members:

The 2018 Update to the Homeless Housing Plan identified the critical need to create a permanent supportive housing facility, focused on serving individuals experiencing chronic homelessness and living with mental illness and substance use disorders. The Permanent Supportive Housing project we are pursuing, in partnership with the Bremerton Housing Authority, will create this much needed permanent, safe and affordable low-barrier housing for 70 households in our community.

We are entering the predevelopment stage of this project and KMHS is prepared to invest \$65,000 of our agency reserves to fund the 2018 predevelopment expenses. Our 2019 request to the Kitsap County Mental Health, Chemical Dependency and Therapeutic Court programs requests funding for the 2019 predevelopment costs associated with this important project. Assuming the project appears favorable for full funding by the Housing Trust Fund and Low Income Housing Tax Credit programs, KMHS will fund the still remaining 2020 pre-development expenses of \$69,500 out of its reserves. Once the permanent supportive housing site and financing is finalized, we intend to begin construction on these units in the fall of 2020, with a target occupancy of fall of 2021.

Thank you for your consideration of our request and for your dedication and support to serving the needs of those most vulnerable in our community.

Warm Regards,

Joe Roszak  
Chief Executive Officer

BOARD OF DIRECTORS

James ...

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Pete ...

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Dennis ...

Joe Roszak  
Chief Executive Officer

The mission of Kitsap Mental Health Services is to shape the future of mental health through state of the science service delivery, community partnerships and advocacy.

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[www.kitsapmentalhealth.org](http://www.kitsapmentalhealth.org)



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[www.bremertonhousing.org](http://www.bremertonhousing.org)

July 18, 2018

Joe Rosak  
Executive Director  
Kitsap Mental Health Services  
5455 Almira Drive NE  
Bremerton, WA 98311

Re: Project-Based Housing Assistance Payments

Dear Mr. Rosak:

The Housing Authority of the City of Bremerton (BHA) is pleased to provide this letter as conditional approval for no more than 56 project-based voucher's(PBV) to be used for the KMH Staff Supportive Housing project. Final approval of your proposal is contingent upon the following:

- The completion of either new construction or rehab of 70 studio and one bedroom units.
- Complete the formal request for Project Based Vouchers prior to occupancy to solidify the awarded vouchers.
- Approval by the BHA Board of Commissioners of the proposed PBV contract.

The annual financial contribution for this PVB award would be \$438,435.00 in rental assistance and would remain in effect for 15 years with one additional option of renewal, for a subsequent 15 years.

Sincerely,

Kurt Wiest  
Executive Director



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If you need to request a reasonable accommodation, contact the BHA Section 504 Coordinator at (360) 616-7122. Telecommunication for the hearing impaired TRS dial 7-1-1.

