



AGENDA

SHORELINE CITY COUNCIL SPECIAL MEETING

Monday, March 14, 2016
5:45 p.m.

Conference Room 303 · Shoreline City Hall
17500 Midvale Avenue North

TOPIC/GUESTS: King County Elections Director Julie Wise

SHORELINE CITY COUNCIL REGULAR MEETING

Monday, March 14, 2016
7:00 p.m.

Council Chamber · Shoreline City Hall
17500 Midvale Avenue North

	<u>Page</u>	<u>Estimated Time</u>
1. CALL TO ORDER		7:00
2. FLAG SALUTE/ROLL CALL		
3. REPORT OF THE CITY MANAGER		
4. COUNCIL REPORTS		
5. PUBLIC COMMENT		
<i>Members of the public may address the City Council on agenda items or any other topic for three minutes or less, depending on the number of people wishing to speak. The total public comment period will be no more than 30 minutes. If more than 10 people are signed up to speak, each speaker will be allocated 2 minutes. Please be advised that each speaker's testimony is being recorded. Speakers are asked to sign up prior to the start of the Public Comment period. Individuals wishing to speak to agenda items will be called to speak first, generally in the order in which they have signed. If time remains, the Presiding Officer will call individuals wishing to speak to topics not listed on the agenda generally in the order in which they have signed. If time is available, the Presiding Officer may call for additional unsigned speakers.</i>		
6. APPROVAL OF THE AGENDA		7:20
7. CONSENT CALENDAR		7:20
(a) Minutes of Regular Meeting of February 8, 2016	<u>7a1-1</u>	
Minutes of Special Meeting of February 22, 2016	<u>7a2-1</u>	
(b) Approval of expenses and payroll as of February 26, 2016 in the amount of \$2,071,577.90	<u>7b-1</u>	
8. ACTION ITEMS		
(a) Adoption of Ord. No. 717 – Traffic Impact Fee Amendment for Certain Businesses	<u>8a-1</u>	7:20
(b) Discussion and Adoption of 2016-2018 Council Goals and Workplan	<u>8b-1</u>	7:50
9. STUDY ITEMS		
(a) Discussion of Human Service Funding Policies	<u>9a-1</u>	8:10

10. ADJOURNMENT

8:55

The Council meeting is wheelchair accessible. Any person requiring a disability accommodation should contact the City Clerk's Office at 801-2231 in advance for more information. For TTY service, call 546-0457. For up-to-date information on future agendas, call 801-2236 or see the web page at www.shorelinewa.gov. Council meetings are shown on Comcast Cable Services Channel 21 and Verizon Cable Services Channel 37 on Tuesdays at 12 noon and 8 p.m., and Wednesday through Sunday at 6 a.m., 12 noon and 8 p.m. Online Council meetings can also be viewed on the City's Web site at <http://shorelinewa.gov>.

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF BUSINESS MEETING

Monday, February 8, 2016
7:00 p.m.

Council Chambers - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Roberts, Deputy Mayor Winstead, Councilmembers McGlashan, Scully, Hall, McConnell, and Salomon

ABSENT: None

1. CALL TO ORDER

At 7:00 p.m., the meeting was called to order by Mayor Roberts who presided.

2. FLAG SALUTE/ROLL CALL

Mayor Roberts led the flag salute. Upon roll call by the City Clerk, all Councilmembers were present.

3. REPORT OF CITY MANAGER

Debbie Tarry, City Manager, provided reports and updates on various City meetings, projects and events.

4. COUNCIL REPORTS

Councilmember McConnell reported on attending the SeaShore Transportation Forum and welcoming Councilmember McGlashan to the Forum again. She said they had a great meeting about Sound Transit 3, and noted Patrice Hardy, Sound Transit Government Relations Officer, was in attendance. She reported that the City of Woodinville is strongly advocating for participation in ST3. She announced the opening of the University Link Extension on March 19, 2016 and the South 200th Angle Link Station in the summer. She reported that draft planning for ST3 will begin in March.

Mayor Roberts reported that King County Councilmember Rod Dembowski was the guest at the Council's Dinner Meeting. He said discussions included the Best Start for Kids Levy, homelessness solution strategies, transit, and ST3. He announced that the City Council's Annual Goal Setting Workshop is scheduled for February 19 and 20, 2016 in the Shoreline Council Chamber.

5. PUBLIC COMMENT

Brad Lancaster, Shoreline resident, identified ways the City Council can change social policy to make it less difficult for homeless people. He recalled his suggestion of building a permanent tiny housing village for homeless people with school age children. He suggested streamlining the permitting process for homeless encampments, reducing permit fees, creating an application process specifically for homeless encampments, allowing citizens and churches to preemptively sign up to host encampments, implementing a six month timeframe allowance, approving applicants for five years, and encouraging collaboration to create four permitted locations that would host a camp once every eighteen months. He encouraged the City to educate neighbors who are fearful of the homeless to welcome and embrace the homeless and help make their lives better.

Greg Logan, Highlands Neighborhood, commented that he is speaking on behalf of his neighborhood regarding the Highlands Maintenance Facility and Green Waste Transfer Station projects. He said the projects have been a disaster for the neighborhood and explained they are inundated with the grinding roar and noise of heavy equipment. He commented that there is a tremendous amount of traffic, back-up beepers, and back-hoes. He noted that a non-conforming permit was issued for the Utility, and said a standard permit was issued for the Transfer Station using a drop box. He said the drop box and the use of an industrial back hoe is incompatible for a single family neighborhood.

Ms. Tarry said she spoke with Mr. Logan prior to the meeting and recommended finding out from the Planning Department if there are conditions on the permit.

6. APPROVAL OF THE AGENDA

The agenda was approved by unanimous consent.

7. CONSENT CALENDAR

Upon motion by Councilmember Hall and seconded by Deputy Mayor Winstead and unanimously carried, 7-0, the following Consent Calendar items were approved:

a) Minutes of Business Meeting of December 14, 2015

b) Approval of expenses and payroll as of January 22, 2016 in the amount of \$2,966,151.13

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
12/20/15-1/2/16	1/8/2016	64558-64746	14218-14235	62363-62368	\$451,240.39
					<u>\$451,240.39</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
1/12/2016	62281	62281	\$255.00
1/14/2016	62282	62293	\$10,079.40
1/14/2016	62294	62308	\$1,109,766.67
1/14/2016	62309	62322	\$50,008.62
1/14/2016	62323	62340	\$293,992.50
1/14/2016	62341	62355	\$270,324.80
1/14/2016	62356	62362	\$18,882.69
1/19/2016	62369	62370	\$97,257.44
1/21/2016	62371	62391	\$579,413.31
1/21/2016	62392	62408	\$27,134.23
1/21/2016	62409	62421	\$57,796.08
			<u>\$2,514,910.74</u>

c) Motion to Authorize the City Manager to Execute a Contract for Professional Services with Evergreen Traffic Engineering for Aurora Transit And Signal Timing Services in an Amount Not to Exceed \$89,262

d) Adoption of Ord. No. 734 - Deleting Collective Garden Provisions in the Shoreline Municipal Code

8. ACTION ITEMS

a) Adoption of Ord. No. 735 - Amending the City of Shoreline's Development Code to Establish Regulations Related to Recreational and Medical Cannabis

Alex Herzog, Management Analyst, provided background on Council's previous discussions of Proposed Ordinance No. 735 regarding cannabis regulations. He recounted that there was consensus among Councilmembers to remove the 1,000 foot buffer in light of the State's final allocation of a total of four retail marijuana locations in Shoreline. He stated that the Planning Commission recommends adoption of Ordinance 735, and reviewed the provisions of the Ordinance and staff's recommended modifications.

Councilmember Hall moved approval of Ordinance 735. The motion was seconded by Deputy Mayor Winstead.

Councilmember Hall moved to amend Ordinance 735 to modify the Planning Commission's recommendation by deleting Section 3 in its entirety so as not to require the 1,000 foot buffer separation between marijuana retail operations. The motion was seconded by Deputy Mayor Winstead.

Councilmember Hall said learning from the Liquor and Cannabis Board that there will only be two additional retail marijuana stores allowed in Shoreline addressed Council's concern about avoiding a huge concentration of stores in a given area.

The motion to amend the main motion to delete Section 3 of the Ordinance passed 6-1 with, Councilmember Salomon voting no.

Councilmember Hall moved to amend Ordinance 735 to modify the Planning Commission's recommendation by removing the Indexed Supplemental Criteria references in SMC Table 20.40.130. The motion was seconded by Deputy Mayor Winstead and passed unanimously.

The vote on the main motion, as amended passed, unanimously.

b) Appointment of Planning Commissioners

Paul Cohen, Planning Manager, explained that there will be four vacancies on the Planning Commission. He reviewed the recruitment, application, and Council interview process. He said staff's recommendation is to appoint Susan Chang as a Commissioner to serve out Keith Scully's term starting February 18, 2016, and to reappoint Easton Craft, William Montero, and Susan Chang each to a term of four years starting April 7, 2016.

Councilmember McConnell moved to appoint David Maul, Easton Craft, and William Montero to the Planning Commission for 4-year terms that will begin April 1, 2016 and run through March 31, 2020, and to appoint Susan Chang to the Planning Commission for a 4-year term that will begin February 18, 2016 and run through March 31, 2020. The motion was seconded by Councilmember Salomon.

Councilmember McConnell commented that the Council Subcommittee had excellent candidates to select from. She said they interviewed six candidates and the Subcommittee unanimously voted to reappoint Commissioners, Maul, Craft and Montero and to appoint Ms. Chang.

Councilmember Salomon thanked everyone that applied, and said they had a wealth of applicants to choose from and great interviews. He shared that Commissioners Maul, Craft, and Montero have served the Planning Commission with distinction. He said he is happy to have them back on the Commission, and to add Ms. Chang, who has great credentials and experience.

Councilmember Scully commented that there were 18 amazing and qualified applicants that applied. He shared that Ms. Chang will add a depth of technical expertise to the Commission and that made her an ideal choice for the position.

Mayor Roberts thanked everyone that applied for a position on the Planning Commission and the Subcommittee for their work.

The motion passed unanimously.

Mayor Roberts extended an invitation to Ms. Chang to make remarks. Ms. Chang said she is looking forward to joining the Planning Commission and studying issues that are important to the City of Shoreline.

9. STUDY ITEMS

a) Discussion of McAleer Creek and Lyon Creek Surface Water Basin Plans

John Featherstone, Surface Water Engineer, Uki Dele, Surface Water and Environmental Services Manager, and Erin Nelson, AltaTerra Consultant, provided the staff report. Mr. Featherstone stated that an overview will be provided of Basin Planning and the results of the McAleer and Lyon Basin Plans will be presented.

Ms. Dele explained that McAleer and Lyon Basins are the second to last Plans that the City is conducting. She shared that basin planning is a watershed approach to stormwater management that began in 2009 with the Thornton Creek Watershed Plan. She stated significant success has been achieved from flood control projects implemented from that Plan. She shared that the Surface Water Master Plan (SWMP), last updated in 2011, established a prioritized schedule and approach to conduct more basin plans. She said planning is complete for the five largest basins and that the remaining six will be completed in summer 2016 under the Puget Sound Drainages Basin Plan. She noted that the more recent Plans also include condition assessments of the City's stormwater pipes.

Ms. Nelson explained that 6% of the Lyon Basin and 26% of McAleer Basin are in Shoreline and drain into Lake Washington. She reviewed the Basin Planning Elements and the stream assessment process. She shared that the City has been collecting water quality data since 2002. She reported that the data was pretty typical for streams in an urban environment and then showed a video taken during a pipe condition assessment. She said the primary issues in both Basins are failing pipes, flooding and drainage problems, groundwater seepage and resulting drainage issues. She displayed maps depicting condition assessment results and said that 10-25% of the pipes require repair or replacement. She stated that flooding prediction modeling was used on the Basin, that no problems were seen in McAleer Basin, and pointed out three locations where flooding is predicted in the Lyon Basin at Ballinger Creek. She reviewed the 10-Year service call history of the Lyon and McAleer Basins confirming flooding and problem drainage areas. She presented a simplified geologic cross section location of ground water seepage in Lyon Basin and explained issues in both Basins include water quality, invasive vegetation, and operations.

Ms. Nelson reviewed that the non-capital project recommendations for the Lyon Basin are coordination with bordering jurisdictions and other entities for shared interest and responsibilities in the Lyon Basin, and evaluation of new Right-of-Way acquisitions. She reviewed that the non-capital recommendations for McAleer Basins are conducting studies to evaluate groundwater issues; NE 185th Subarea stormwater improvements; Eastern boundary drainage system; Echo Lake water quality improvement options; lateral stormwater connections; and to evaluate new surface water easement acquisitions and policies. She reviewed the capital project recommendations for Lyon Basin are the 25th Avenue NE Flood Reduction (Design 2016), and the Stormwater Pipe Repair and Replacement Program Projects. She reviewed the capital project recommendations for McAleer Basin are two flood reduction projects (6th Ave NE at NE 200th Street, and NE 190th Street); Stormwater Pipe Repair Replacement Program Projects; three bioretention/biofiltration projects; and various drainage improvements.

Mr. Featherstone said action has already been taken on the 25th Avenue NE Flood Reduction project because Ballinger Creek was flooding at very high intervals and the project is programmed in the CIP. He shared that the RFP process for selecting a design consultant has started and that he anticipates construction starting next year. He said staff plans to stick to the aggressive timeframe to get the work finished in time for the North Maintenance Facility opening.

Mr. Featherstone said the Stormwater Pipe Repair and Replacement Program is a priority item to move on pipes that have failed and/or cause safety issues. He reported that the total cost of recommended projects in the Lyon Basin Plan is \$6.7 Million, and \$11.5 to \$12.5 Million for the McAleer Basin. He reviewed next steps are working on the 25th Avenue Project, ongoing Pipe Repair Program, and prioritization of other recommendations under the 2016 Surface Water Master Plan Update.

Councilmember Hall asked if there has been an update from the School District on the plans for the property they own across the street from the North Maintenance facility. He commented on the value of looking at multiple utilities together and asked if there would be a coordinated effort between surface water and road improvements on the 25th Avenue Corridor. Mr. Featherstone responded that he has not been in contact with the School District and explained they anticipate that the consultant will develop a specific proposal to present to the District. He said the 25th Avenue Sidewalk Project is being integrated and coordinated closely with other projects, and will also include looking daylighting strategies.

Councilmember McGlashan asked if “crossing utilities” (where sewer and stormwater pipes intersect) have been found in Shoreline, and about correcting over flow pipes. Mr. Featherstone responded that neither crossing utilities nor gravity pipe systems have been found in Shoreline.

Councilmember Scully said he appreciates the comments about daylighting. He said he hopes to make a case on replacing pipes and asked that staff look at daylighting in every project. And if it is not possible to look at daylighting, he asked staff to explain why.

Mayor Roberts asked if zoning regulations are considered when doing stormwater projects; shared that the 185th Subarea Plan recommends that pipes be enlarged to support the build out; and asked how that will affect projects in other areas of the City. Mr. Featherstone responded that on a project of this capacity, pipe size will be driven by fish passage criteria and a capacity analysis will be completed. Ms. Nelson stated that the projects will accommodate the changes in land use. Ms. Dele responded that the 2016 SWMP will take into consideration all the Basin Plans recommendations, rezones, and address how to direct the capacity analysis and upsizing of pipes.

Mayor Roberts asked if the City is coordinating efforts with the Ballinger Forum and our neighboring jurisdictions. Mr. Featherstone responded that the City has been working closely with Lake Forest Park.

Councilmember Hall said he wanted to follow-up on the Mayor’s questions regarding future development, zoning and what is does to runoff. He used the School District’s property as an

example, which was built out before stormwater standards were in effect, and asked if it were to redevelop under the today's regulations with the NPDES Permit in place, would the rate of flow from a newly developed site be more or less than the rate of flow from a site that is partially developed without stormwater treatment or flow control. Mr. Featherstone said the standard for redeveloped stormwater management is that the post developed flows leaving the site must match a predeveloped forested condition, and you could expect to see improvements.

Ms. Tarry commented that the information from tonight discussion will be incorporated in the 2016 Surface Water Master Plan, projects will be prioritized, and a review of future rate fees will be included.

Mayor Roberts thanked Planning Commissioner Montero for being in the audience tonight.

10. ADJOURNMENT

At 8:19 p.m., Mayor Roberts declared the meeting adjourned.

Jessica Simulcik Smith, City Clerk

CITY OF SHORELINE
SHORELINE CITY COUNCIL
SUMMARY MINUTES OF SPECIAL MEETING

Monday, February 22, 2016

5:15 p.m.

Lobby - Shoreline City Hall
17500 Midvale Avenue North

PRESENT: Mayor Roberts, Councilmembers McGlashan, Scully, Hall, McConnell, and Salomon (Arrived at 6:51 p.m.)

ABSENT: Deputy Mayor Winstead

STAFF: Debbie Tarry, City Manager; John Norris, Assistant City Manager; Randy Witt, Public Works Director; Lance Newkirk, Utilities Operations Manager; Kirk Peterson, Parks Superintendent; David Labelle, Maintenance Supervisor; and Bonita Roznos, Deputy City Clerk

GUESTS: Randy Cook and Mark Hurley, TCF Architects

At 5:15 p.m., the meeting was called to order by Mayor Roberts. Councilmembers and staff boarded the bus for the North Maintenance Facility.

Randy Witt, Public Works Director, introduced Randy Cook and Mark Hurley from TCF Architects and designers of the new North Maintenance Facility. Mr. Witt shared opportunities and challenges presented in designing the Facility. He pointed out that current buildings on the property are technically not worth keeping, retaining wall constraints, and the extreme wetness of the ground, making it difficult for stormwater management and elevation challenges. He shared that the design drawings also include setbacks from Ballinger Creek and moving the fuel storage tanks underground and closer to the road. Lance Newkirk, Utilities Operations Manager, pointed out that due to Hamlin Yard storage constraints, that Parks Department equipment is also stored at the Maintenance Facility.

Councilmembers asked about acquiring the property adjacent to the site, plans for the existing decant facility, and which agencies use the fuel station. Mr. Witt responded that the property owners adjacent to the site have not been contacted. He said the decant facility could work, and explained that it is proposed to be relocated but not repurposed. He said the City, Police and the City of Kenmore vehicles utilize the fuel station.

At 5:50 p.m. the tour departed for Hamlin Yard. David LaBelle, Public Works Maintenance Supervisor, and Kirk Peterson, Parks Superintendent, provided a tour of the Yard and the facility's workspaces. They pointed out storage and workspace challenges. Mr. LaBelle said work sheds had to be constructed by staff to store equipment and to have a place to get work

done. Mr. Peterson talked about safety challenges for big trucks that have to maneuver in and out of the Yard's confined space.

Councilmembers asked how often the trucks are used, and about vehicle maintenance and theft. Mr. Labelle responded that the trucks are used almost daily. Mr. Norris responded that the City has an Interlocal Agreement with the City of Mountlake Terrace for vehicle maintenance. He also pointed out the trucks that require storage in a heated space. Mr. Peterson said there has been some theft and that there is no security at the Yard.

At 6:15 p.m., the tour departed for the Ronald Wastewater District (RWD) Offices and Maintenance Buildings and the group was met by Mark Gregg, General Manager; Al Unger, Maintenance Technician; and RWD Commissioner Arnold Lind. Mr. Cook pointed out the storage facility requirements for RWD trucks.

At 6:26 p.m., the tour departed for City Hall.

Councilmembers commented on the relatively newness of the RWD Facility, questioned the merits of moving their operations to the North Maintenance Facility, and said a strong case needs to be made for the move. They asked if a phasing approach could be implemented to move RWD to the new facility at a later date. They commented that Hamlin is currently not sufficient to house all the utility departments and could possibly posed safety risks. Mr. Witt recommended having all field work combined in one area for efficiencies, and said the cost to add RWD at a later date would only get more expensive. Mr. Norris responded that efficiencies and economy of scales can be achieved with equipment, materials, and employees housed in one facility. He shared that the new facility will house Public Works, Surface Water and RWD. Mr. Newkirk shared that the new facility will operate on the newest regulations and address current risk management issues. Ms. Tarry added that the RWD vehicles would not be moved until there is a plan in place.

Mr. Cook shared that the North Maintenance Facility will provide efficiency to allow the crews to operate as a cooperative unit, sharing infrastructure management, and said the cost of efficiencies can be recouped up front. He explained that a phasing approach will cost more in the long run.

Councilmembers asked about the funding source for the facility and if the site could house additional utilities. Ms. Tarry responded that the project would be funded by the General Fund and some debt service. Mr. Norris responded that site could not support additional utilities other than what has already been identified. He explained that moving RWD to the new facility has always been a part of the RWD Assumption Plan.

At 6:55 p.m. the meeting was adjourned.

Bonita Roznos, Deputy City Clerk

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Approval of Expenses and Payroll as of February 26, 2016
DEPARTMENT: Administrative Services
PRESENTED BY: Sara S. Lane, Administrative Services Director

EXECUTIVE / COUNCIL SUMMARY

It is necessary for the Council to formally approve expenses at the City Council meetings. The following claims/expenses have been reviewed pursuant to Chapter 42.24 RCW (Revised Code of Washington) "Payment of claims for expenses, material, purchases-advancements."

RECOMMENDATION

Motion: I move to approve Payroll and Claims in the amount of \$2,071,577.90 specified in the following detail:

***Payroll and Benefits:**

Payroll Period	Payment Date	EFT Numbers (EF)	Payroll Checks (PR)	Benefit Checks (AP)	Amount Paid
1/17/16-1/30/16	2/5/2016	64940-65136	14256-14274	62563-62568	\$478,501.97
1/31/16-2/13/16	2/19/2016	65137-65335	14275-14295	62730-62737	\$622,375.03
					<u>\$1,100,877.00</u>

***Wire Transfers:**

Expense Register Dated	Wire Transfer Number	Amount Paid
2/26/2016	1105	\$5,715.10
		<u>\$5,715.10</u>

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
2/10/2016	62569	62571	\$21,360.76
2/10/2016	62572	62573	\$15,203.70
2/10/2016	62574	62585	\$33,828.66
2/11/2016	62586	62593	\$14,264.59
2/11/2016	62594	62620	\$81,143.77
2/16/2016	62621	62621	\$117.26
2/16/2016	62622	62623	\$48,850.23

***Accounts Payable Claims:**

Expense Register Dated	Check Number (Begin)	Check Number (End)	Amount Paid
2/18/2016	62624	62624	\$1,767.15
2/18/2016	62625	62644	\$423,790.13
2/18/2016	62645	62655	\$24,686.49
2/18/2016	62656	62675	\$32,065.55
2/18/2016	62676	62676	\$74.00
2/23/2016	62577	62577	(\$80.00)
2/23/2016	62008	62008	(\$40.00)
2/23/2016	62677	62677	\$40.00
2/24/2016	62678	62678	\$125,108.47
2/25/2016	62679	62695	\$63,425.58
2/25/2016	62696	62702	\$6,212.80
2/25/2016	62703	62727	\$70,615.19
2/25/2016	62728	62729	\$2,551.47
			<u>\$964,985.80</u>

Approved By: City Manager **DT**

City Attorney **MK**

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of Ordinance No. 717 - Transportation Impact Fee Amendment for Certain Businesses		
DEPARTMENT:	Economic Development		
PRESENTED BY:	Dan Eernisse, Economic Development Program Manager		
ACTION:	<input checked="" type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

On July 21, 2014, the City Council adopted Ordinance No. 690 establishing a transportation impact fee (TIF) program for the City of Shoreline. Five minor amendments to the program were discussed on July 13, 2015. Four amendments moved forward and were adopted as Ordinances Nos. 716, 718, 719, and 720 on August 3, 2015. One proposed amendment, Ordinance No. 717, which added a deferral of TIF for small businesses, was further discussed on January 11, 2016 and on February 29, 2016, after which Council directed staff to prepare a new Ordinance No. 717 for adoption. Tonight, staff is bringing proposed Ordinance No. 717 back to Council for final review and adoption.

RESOURCE/FINANCIAL IMPACT:

Using 2015 as a baseline, a 50% exemption of the business TIF would reduce TIF collections by \$100,000 each year. Council should note that 2015 is only the first year of TIF collections; an accurate baseline will emerge only over time. RCW 82.02.060(2) states that any impact fees not collected under this type of exemption must be paid for from public funds rather than from the impact fee account. Later this year Council will consider potential revenue sources to back-fill the TIF business exemption as part of its Ten Year Financial Sustainability Plan discussion. Proposed Ordinance No. 717 does not require additional staff resources to administer.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 717.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

On July 21, 2014, the City Council adopted Ordinance Nos. 689 and 690, modifying the City's transportation concurrency methodology (Ord. No. 689) and establishing a transportation impact fee program (Ord. No. 690). This program became effective January 1, 2015. With the adoption of Ordinance No. 690, Shoreline Municipal Code (SMC) Chapter 12.40 Transportation Impact Fees (TIF) was established, and Section 3.01.015 Impact Fee Rate Table was added to Title 3 of the SMC.

On January 11, 2016, Council considered whether the TIF program posed a barrier to new businesses investing in Shoreline and if some form of relief should be considered. Council determined that the TIF program's impact on business was significant enough that some kind of relief should be considered, that deferring payment of TIF was not an effective means of providing relief, and whatever relief was provided should be objective and easy to administer.

This discussion was continued on February 29, 2016, where Council directed staff to bring back Ordinance No. 717 with a 50% exemption on the TIF rate, which would be applied to all eligible businesses. The staff report for the February 29 discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport022916-9b.pdf>.

DISCUSSION

As noted above, proposed Ordinance No. 717 (Attachment A) provides a 50% exemption on the TIF Rate applied to all eligible business applicants. Applicants qualify based on Institute of Transportation Engineers (ITE) code proposed land use categories.

These categories include:

- Hotel (310),
- Motel (320),
- Movie theater (444),
- Health/fitness club (492),
- Day care center (565),
- General office (710),
- Medical office (720),
- General retail and services including shopping center (820),
- Car sales (841),
- Supermarket (850),
- Convenience market – 24 hr. (851),
- Discount supermarket (854),
- Pharmacy/drugstore (880),
- Bank (912),
- Restaurant: sit down (932),
- Fast food (934),
- Coffee/donut shop (937),
- Quick lube shop (941),
- Gas station (944), and
- Automated car wash (948).

Council also provided direction on February 29 that proposed Ordinance No. 717 should provide for an expiration date. Therefore, proposed Ordinance No. 717 expires on December 31, 2018. The proposed Ordinance also requires that no later than six months prior to expiration, the Economic Development Program Manager will prepare a report evaluating the use of the partial exemption by businesses for the City Council's

consideration. This will provide the Council information as they consider whether to continue with, abolish or extend the expiration date in the Ordinance.

Proposed Amendment – Full TIF Exemption

At the February 29 meeting, Councilmember Salomon also asked staff to prepare an amendment to proposed Ordinance No. 717 that provides for a 100% exemption on the TIF Rate for all eligible businesses. This amendment, which would need to be moved by a Councilmember, is attached as Attachment B. If a Councilmember is interested in making this amendment, the Councilmembers should move the following:

I move to amend proposed Ordinance No. 717 to allow for a full exemption of the Transportation Impact Fee for Businesses as outlined in Attachment B to the staff report for this agenda item.

RESOURCE/FINANCIAL IMPACT

Using 2015 as a baseline, a 50% exemption of the business TIF would reduce TIF collections by \$100,000 each year. Council should note that 2015 is only the first year of TIF collections; an accurate baseline will emerge only over time. RCW 82.02.060(2) states that any impact fees not collected under this type of exemption must be paid for from public funds rather than from the impact fee account. Later this year Council will consider potential revenue sources to back-fill the TIF business exemption as part of its Ten Year Financial Sustainability Plan discussion. Proposed Ordinance No. 717 does not require additional staff resources to administer.

RECOMMENDATION

Staff recommends that Council adopt proposed Ordinance No. 717.

ATTACHMENTS

Attachment A – Proposed Ordinance No. 717

Attachment B – Potential Amendment to Proposed Ordinance No. 717 – Full TIF Exemption

CITY OF SHORELINE, WASHINGTON

ORDINANCE NO. 717

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING CHAPTER 12.40 TRANSPORTATION IMPACT FEES TO
THE SHORELINE MUNICIPAL CODE TO INCLUDE A PARTIAL
EXEMPTION FOR BUSINESS.**

WHEREAS, on July 21, 2014, the Shoreline City Council adopted Ordinance 690, establishing a transportation impact fee program and adopting a new Chapter 12.40 to Title 12 of the Shoreline Municipal Code; and

WHEREAS, impact fees can impose a substantial burden on all types of businesses, especially if applicants must pay fees at the time of building permit issuance, well before business operations begin; and

WHEREAS, this burden may have a detrimental effect of a business's ability to locate within the City of Shoreline, adversely impacting economic development within the City as well as frustrating the vision for the community; and

WHEREAS, the community's vision, as stated in Vision 2029, is to create vibrant, walkable neighborhoods that feature a diverse array of local shops, restaurants, and services; and

WHEREAS, the City's Comprehensive Plan contains framework community and economic development goals including one to create a business friendly environment that supports small and local businesses; and

WHEREAS, by providing incentives for businesses to locate within the City, a broad public purpose is achieved by fulfilling the community's vision and goals; and

WHEREAS, the City seeks to amend Chapter 12.40 to establish a partial exemption of transportation impact fees to fulfill these goals;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE,
WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. SMC 12.40.070. A new section, section "I," of SMC 12.040.070 *Exemptions*, is hereby adopted to read as follows:

12.40.070(I) Businesses – Partial exemption. A business building permit applicant may receive a fifty percent (50%) partial exemption of the full amount of applicable impact fee. This partial exemption of impact fees for businesses is considered under the following conditions:

1. An applicant for a partial exemption must request the exemption no later than the time of application for a building permit. Any request not so made shall be deemed waived.
2. An applicant is entitled to a partial exemption of fifty percent (50%) of the full amount of applicable impact fees. That portion of the impact fees not exempt shall be due and payable before the issuance of a building permit by the City.
3. To be eligible for an exemption, an applicant shall meet the following criteria:
 - a. Submit an impact fee exemption application for the development which the applicant wishes to receive an exemption; and
 - b. Pay the applicable administrative fee; and
 - c. Qualify as a “business” based on the following Institute of Transportation Engineers (ITE) code categories:

ITE Code	Land Use Category/Description
310	Hotel
320	Motel
444	Movie theater
492	Health/fitness club
565	Day care center
710	General office
720	Medical office
820	General retail and services (includes shopping center)
841	Car sales
850	Supermarket
851	Convenience market – 24 hour
854	Discount supermarket
880	Pharmacy/drugstore
912	Bank
932	Restaurant – sit down
934	Fast food
937	Coffee/donut shop
941	Quick lube shop
944	Gas station
948	Automated car wash

4. The City Manager, or designee, shall review an application for partial exemption pursuant to the above criteria and shall advise the applicant, in writing, of the granting or denial of the application. The determination of the City Manager, or designee, shall be the final decision of the city with respect to the applicability of the business partial exemption.
5. The City shall collect an administrative fee from the applicant seeking a partial exemption of impact fees under this section as provided in SMC 3.01.015(B).

6. The amount of impact fees not collected from businesses pursuant to this partial exemption shall be paid from public funds other than the impact fee account.

Section 2. Report of the Economic Development Program Manager. No later than six (6) months prior to the date this Ordinance is to expire, as provided in Section 4, the Economic Development Program Manager shall prepare a report evaluating the use of the partial exemption by businesses for the City Council's consideration. The report should detail, at a minimum, how many businesses, by land use category, were granted the exemption, how much in transportation impact fees were foregone by the exemption, and the source of public funds identified to cover the exempted impact fees.

Section 3. Severability. If any portion of this chapter is found to be invalid or unenforceable for any reason, such finding shall not affect the validity or enforceability of any other chapter or any other section of this chapter.

Section 4. Publication, Effective Date, and Expiration. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication and shall expire and be of no further effect on December 31, 2018, unless otherwise extended by the City Council.

PASSED BY THE CITY COUNCIL ON MARCH 14, 2016

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2016
Effective Date: _____, 2016

CITY OF SHORELINE, WASHINGTON

ORDINANCE NO. 717

**AN ORDINANCE OF THE CITY OF SHORELINE, WASHINGTON,
AMENDING CHAPTER 12.40 TRANSPORTATION IMPACT FEES TO
THE SHORELINE MUNICIPAL CODE TO INCLUDE ~~A-PARTIAL~~AN
EXEMPTION FOR BUSINESS.**

WHEREAS, on July 21, 2014, the Shoreline City Council adopted Ordinance 690, establishing a transportation impact fee program and adopting a new Chapter 12.40 to Title 12 of the Shoreline Municipal Code; and

WHEREAS, impact fees can impose a substantial burden on all types of businesses, especially if applicants must pay fees at the time of building permit issuance, well before business operations begin; and

WHEREAS, this burden may have a detrimental effect of a business's ability to locate within the City of Shoreline, adversely impacting economic development within the City as well as frustrating the vision for the community; and

WHEREAS, the community's vision, as stated in Vision 2029, is to create vibrant, walkable neighborhoods that feature a diverse array of local shops, restaurants, and services; and

WHEREAS, the City's Comprehensive Plan contains framework community and economic development goals including one to create a business friendly environment that supports small and local businesses; and

WHEREAS, by providing incentives for businesses to locate within the City, a broad public purpose is achieved by fulfilling the community's vision and goals; and

WHEREAS, the City seeks to amend Chapter 12.40 to establish ~~a-partial~~an exemption of transportation impact fees to fulfill these goals;

**NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF SHORELINE,
WASHINGTON, DO ORDAIN AS FOLLOWS:**

Section 1. SMC 12.40.070. A new section, section "I," of SMC 12.040.070 *Exemptions*, is hereby adopted to read as follows:

12.40.070(I) Businesses —~~Partial~~Exemption. A business building permit applicant may receive ~~a fifty percent (50%) partial~~an exemption of ~~the full amount of applicable impact fees.~~s. ~~This partial exemption of impact fees for businesses is considered~~ under the following conditions:

1. An applicant for ~~a partial~~ an exemption must request the exemption no later than the time of application for a building permit. Any request not so made shall be deemed waived.

~~2. An applicant is entitled to a partial exemption of fifty percent (50%) of the full amount of applicable impact fees. That portion of the impact fees not exempt shall be due and payable before the issuance of a building permit by the City.~~

~~3.2.~~ To be eligible for an exemption, an applicant shall meet the following criteria:

- a. Submit an impact fee exemption application for the development which the applicant wishes to receive an exemption; and
- b. Pay the applicable administrative fee; and
- c. Qualify as a “business” based on the following Institute of Transportation Engineers (ITE) code categories:

ITE Code	Land Use Category/Description
310	Hotel
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565	Day care center
710	General office
720	Medical office
820	General retail and services (includes shopping center)
841	Car sales
850	Supermarket
851	Convenience market – 24 hour
854	Discount supermarket
880	Pharmacy/drugstore
912	Bank
932	Restaurant – sit down
934	Fast food
937	Coffee/donut shop
941	Quick lube shop
944	Gas station
948	Automated car wash

~~4.3.~~ The City Manager, or designee, shall review an application for ~~partial~~ an exemption pursuant to the above criteria and shall advise the applicant, in writing, of the granting or denial of the application. The determination of the City Manager, or designee, shall be the final decision of the city with respect to the applicability of the business ~~partial~~ exemption.

~~5.4.~~ The City shall collect an administrative fee from the applicant seeking ~~a partial~~ an exemption of impact fees under this section as provided in SMC 3.01.015(B).

6.5. The amount of impact fees not collected from businesses pursuant to this ~~partial~~ exemption shall be paid from public funds other than the impact fee account.

Section 2. Report of the Economic Development Program Manager. No later than six (6) months prior to the date this Ordinance is to expire, as provided in Section 4, the Economic Development Program Manager shall prepare a report evaluating the use of the ~~partial~~ exemption by businesses for the City Council's consideration. The report should detail, at a minimum, how many businesses, by land use category, were granted the exemption, how much in transportation impact fees were foregone by the exemption, and the source of public funds identified to cover the exempted impact fees.

Section 3. Severability. If any portion of this chapter is found to be invalid or unenforceable for any reason, such finding shall not affect the validity or enforceability of any other chapter or any other section of this chapter.

Section 4. Publication, Effective Date, and Expiration. A summary of this Ordinance consisting of the title shall be published in the official newspaper. This Ordinance shall take effect five days after publication and shall expire and be of no further effect on December 31, 2018, unless otherwise extended by the City Council.

PASSED BY THE CITY COUNCIL ON MARCH 14, 2016

Mayor Christopher Roberts

ATTEST:

APPROVED AS TO FORM:

Jessica Simulcik-Smith
City Clerk

Margaret King
City Attorney

Date of Publication: _____, 2016
Effective Date: _____, 2016

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Discussion and Adoption of Proposed 2016-2018 City Council Goals and Workplan
DEPARTMENT: City Manager's Office
PRESENTED BY: John Norris, Assistant City Manager
ACTION: ☐ Ordinance ☐ Resolution ☒ Motion
 ☐ Discussion ☐ Public Hearing

PROBLEM/ISSUE STATEMENT:

At the City Council's annual Strategic Planning Workshop, which was held on February 19 and 20, 2016, the Council discussed their proposed 2016-2018 goals. It was determined that Council would like to continue the focus of their goals towards achievement of Vision 2029 and being a sustainable city in all respects:

- Sustainable neighborhoods – ensuring they are safe and attractive;
- Sustainable environment – enhancing our build environment so that it protects our natural resources; and
- Sustainable services – supporting quality services, facilities and infrastructure.

Council also determined that four of the five goals that were adopted in 2015 are still relevant and supportive of Vision 2029 and therefore they should continue to be the goals for 2016-2018. The exception to this is a change to Council Goal #4. Whereas this goal has been titled, "Enhance openness and opportunities for community engagement", with a focus on external communication and community engagement, the Council felt that it would be helpful to modify this goal so that now had a focus on equity and inclusion for all Shoreline residents. The Action Steps supporting this amended Goal were also changed to align with the equity and inclusion focus. The 2016-2018 Council Goal #4 is now proposed as, "Expand the City's focus on equity and inclusion to enhance opportunities for community engagement".

The proposed 2016-2018 City Council Goals are as follows:

1. Strengthen Shoreline's economic base to maintain the public services that the community expects;
2. Improve Shoreline's utility, transportation, and environmental infrastructure;
3. Prepare for two Shoreline light rail stations;
4. Expand the City's focus on equity and inclusion to enhance opportunities for community engagement; and
5. Promote and enhance the City's safe community and neighborhood programs and initiatives.

In addition to the Council Goals themselves, the Council also reviewed the Action Steps, or sub-goals, that implement the five Council Goals at their Strategic Planning Workshop. Attachment A to this staff report provides the proposed 2016-2018 Council Goals and Workplan, which include the suggested Action Steps and Progress Indicators for monitoring the goals. The tracked changes noted on Attachment A represent the additions and edits that the Council requested staff make to the staff-proposed Council Goals and Action Steps that were initially presented to Council at the February 19-20 Workshop. Council was generally supportive of staff's recommend Goals and Action Steps.

Tonight, staff is requesting that Council review and adopt the proposed 2016-2018 Council Goals and Action Steps, including the newly proposed Action Step language to confirm whether this proposed language meets Council's intent.

RESOURCE/FINANCIAL IMPACT:

Resources needed to accomplish the Council's Goals and Workplan are included in the 2016 budget and will be included in the 2017 proposed budget.

RECOMMENDATION

Staff recommends that Council discuss and adopt the 2016-2018 Council Goals and Workplan.

ATTACHMENTS:

Attachment A – Proposed 2016-2018 Council Goals and Workplan

Approved By: City Manager **DT** City Attorney **MK**

2016-2018 City Council Goals and Workplan

The Council is committed to fulfilling the community's long-term vision – Vision 2029 – and being a sustainable city in all respects:

- Sustainable neighborhoods—ensuring they are safe and attractive;
- Sustainable environment—preserving our environmental assets and enhancing our built environment so that it protects our natural resources; and
- Sustainable services—supporting quality services, facilities and infrastructure.

The City Council holds an annual Strategic Planning Workshop to monitor progress and determine priorities and action steps necessary to advance Vision 2029. This workplan, which is aimed at improving the City's ability to fulfill the community's vision, is then reflected in department workplans, the City's budget, capital improvement plan, and through special initiatives.

Goal 1: Strengthen Shoreline's economic base to maintain the public services that the community expects

Shoreline voters approved Proposition No. 1 in November 2010, which helped to maintain essential service levels through 2016. Whether or not Proposition No. 1 is renewed by Shoreline voters in 2016, it is vital to attract investment in Shoreline businesses and neighborhoods to enhance the local economy, provide jobs, and support the services that make Shoreline a desirable place to live. Investment will strengthen our tax base while providing our residents with greater housing choices, local employment, retail opportunities, and lifestyle amenities.

ACTION STEPS:

1. Implement the Community Renewal Plan for Aurora Square, including developing recommendations for incentives, property acquisition, and capital improvements for a regional stormwater detention/retention system and intersection improvements at N 155th Street and Westminster Way N to encourage Vision 2029 businesses to locate and thrive at Aurora Square
2. Enhance the attractiveness of Shoreline as a place for private investment, including investment by small and medium sized developments, by ensuring that the permit process is predictable, timely and competitive, and by constantly evaluating and improving the quality of regulations for the City and other local permitting organizations
3. Implement the 10-year Financial Sustainability Plan to achieve sufficient fiscal capacity to fund and maintain priority public services, facilities, and infrastructure, including a continued focus on economic development, renewal of the property tax levy lid lift in 2016, and exploration of a business and occupation tax
4. Initiate innovative, community-supported place-making efforts that encourage people to spend time in Shoreline
5. Launch, track, and maintain a marketing campaign that promotes Shoreline as a progressive and desirable community to new residents, investors, and businesses
6. Continue to promote the growing media production activities occurring in Shoreline and ~~E~~ explore development of a state-of-the-art media campus that makes Shoreline the regional center of the digital media production industry

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
a. Annual growth of assessed property value from new construction	0.17%	0.50%	0.41%	0.36%	0.33%
b. Percent of assessed property value that is commercial (business)	10.1%	10.3%	10.5%	9.8%	8.4%
c. Retail sales tax per capita	\$113	\$130	\$137	\$134	\$135

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
d. Number of licensed businesses	4,474	4,784	4,945	5,045	5,166
e. Number of housing units	23,049	23,204	23,329	23,493	23,650
f. Vacancy and rental rates of commercial and multi-family properties	Comm: 4-5%; \$15-30/sf; Resid: 4%; \$1.18/sf	Retail: 4%; Office: 4.5%; \$23.63/sf; Resid: 3.2%; \$1.24/sf	Retail: 5.3%; Office: 6.4%; \$24.27/sf; Resid: 1.9%; \$1.32/sf	Retail: 4.6%; Office: 4.2%; \$23.00/sf; Resid: 1.3%; \$1.36/sf	Retail: 5% \$21/sf Office: 4% \$24/sf Residential: 3%; \$1.45/sf (all), \$2.00/sf (new)

Goal 2: Improve Shoreline's utility, transportation, and environmental infrastructure

Shoreline inherited an aging infrastructure when it incorporated in 1995. The City has identified needed improvements through our 20-year planning documents including the Surface Water Master Plan, Transportation Master Plan and Parks, Recreation and Open Space Master Plan. Improvements are not limited to infrastructure investments. The City is also interested in improving coordination, planning, and overall information sharing among all service providers. As capital improvements are made, it is important to include efforts that will enhance Shoreline's natural environment, ultimately having a positive impact on the Puget Sound region.

ACTION STEPS:

1. Identify funding strategies, including grant opportunities, to implement the City's Transportation Master Plan including construction of new non-motorized improvements
2. Pursue increased infrastructure investment from Seattle Public Utilities
3. Implement the Ronald Wastewater District Assumption Transition Plan
4. Work with the City of Seattle, King County, Sound Transit, the Washington State Department of Transportation, federal agencies and the north King County community on a plan that will improve safety and efficiency for all users of 145th Street, including completion of design of the 145th Street corridor from Interstate-5 to Aurora Avenue N, advocacy for 145th Street improvements from Highway 522 to Interstate-5 as part of the ST3 ballot measure, and planning for a 145th Street and Interstate-5 interchange that meets future needs
5. Continue to Implement the Urban Forest Strategic Plan by developing neighborhood urban forest management and stewardship plans and a community stewardship program in collaboration with community partners
6. Implement the 2016-2019 Priority Environmental Strategies, including adoption of a Living Building Challenge Ordinance, examining the possibility of District Energy, and preparing to initiate-initiating a Solarize campaign, and continued focus on effective stormwater management practices including restoration of salmon habitat
7. Implement a comprehensive asset management system, including asset inventory, condition assessment and lifecycle/risk analysis, for the City's streets, facilities, trees, parks, and utilities
8. Redevelop the North Maintenance Facility and Shoreline Police Station at City Hall to better meet community needs
9. Update the Surface Water Master Plan, Transportation Master Plan and Parks, Recreation and Open Space Master Plan
10. If adequately funded by regional grants, conduct environmental review and design for safety and multi-modal mobility improvements for the N 175th Street corridor from Interstate-5 to Stone Avenue N

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
a. Number of linear feet of non-motorized facilities constructed	16,000	7,384	11,362	1,198	19,912
b. Number of trees planted in the public right-of-way and on City property (net)	470	145	362	-61	319
c. Tons of street sweeping waste removed	Data not available	Data not available	Data not available	Data not available	507
d. Grant funds received for utility, transportation, and environmental infrastructure improvements	\$14,109,975	\$5,069,407	\$369,137	\$7,404,884	\$294,525
e. Percent of all work orders in Cityworks Asset Management System that are proactive versus reactive in nature	N/A	N/A	93%	94.97%	76.1%
f. Percentage of work orders completed (or similar) in the Cityworks Asset Management System Implementation	Data not available	Data not available	1,100	2,348	3,121
g. North Maintenance Facility annual progress (percent complete)	N/A	N/A	N/A	N/A	1-2%

Goal 3: Prepare for two Shoreline light rail stations

In 2008 Shoreline voters supported the Sound Transit 2 funding package by 61%. Our community looks forward to increasing mobility options and reducing environmental impacts through light rail service. Sound Transit estimates the light rail extension from Northgate to Lynnwood to be \$2 billion, which includes investment in two stations in Shoreline, which are planned to open in 2023. Engaging our community in planning for the two light rail stations in Shoreline continues to be an important Council priority.

ACTION STEPS:

1. Adopt the 145th Street Light Rail Station Subarea Plan, land use and zoning maps and Planned Action
2. Negotiate agreements with Sound Transit and pursue other means to obtain any necessary mitigation and improvements that are not reflected in Sound Transit's Final Environmental Impact Statement, including non-motorized access over Interstate-5 north of 145th Street and non-motorized improvements over Interstate-5 connecting the Shoreline Center to the 185th Light Rail Station
3. Develop a Transit Service Integration Plan to deliver people to both future light rail stations, as an alternative to single occupancy vehicles, including safe bicycle and pedestrian access for all ages and abilities
4. Partner with Sound Transit to host local public meetings to review the design of the light rail stations, garages and associated facilities
5. Work collaboratively with Sound Transit to support the development and review of environmental, architectural, engineering and construction plans for the Lynnwood Link facilities within the City of Shoreline
6. Implement adopted light rail station subarea plans, including programs and policies to address parking, park mitigation, and affordable housing
7. Conduct the 185th Street Corridor Study between Aurora Avenue N and 10th Avenue NE to identify multi-modal transportation improvements necessary to support growth associated with the 185th Street Station Subarea Plan and the Sound Transit Light Rail Station

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
a. Number of City and Sound Transit opportunities provided for public input in the light rail planning process	4	21	37	60+	14

Goal 4: Expand the City's focus on equity and inclusion to enhance opportunities for community engagement

The Council values all residents and believes they are an important part of the Shoreline community, including those that have been underrepresented. The Council believes it is important to expand the ways in which the City can develop and implement processes, policies and procedures that increase inclusion and equity in a meaningful and impactful way.

ACTION STEPS:

1. Create and implement the City's Diversity and Inclusion Program
2. Explore ways to reduce homelessness in Shoreline, including a review of City policies and codes that may create barriers for those experiencing homelessness
3. Explore external workforce regulations including paid sick leave and [minimum wage and parental leave]-regulations
4. Enhance the City's support for non-discrimination and accessibility for a diverse community through compliance with Title II and Title VI of the Civil Rights Act
5. Develop and maintain working relationships with diverse and underrepresented members of the Shoreline community through the continuation of the Nurturing Trust workshops
6. Explore development of a Citizen Engagement Academy to help the community build familiarity with the many aspects of Shoreline government and its role in providing services

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
a. Percent of residents who believe the City is moving in the right direction ²	71%	72%	72%	65%	65%
b. Percent of residents somewhat/very satisfied with the City's efforts to keep residents informed ²	67%	67%	67%	66%	66%
c. Number of citizen volunteer hours	19,530	16,758	12,653	12,794	9,629
d. Number of annual website visits; number of Facebook "likes"; number of Twitter followers	77,400 545 NA	111,000 700 NA	151,306 860 187	320,735 1,052 512	390,238 1,444 1,031
e. Number of service requests responded to through the City's See Click Fix app	3	179	258	170	231
f. Number of Community Meetings with Police/Crime Prevention	2	9	27	52	42
g. Number of Alert Shoreline subscribers	N/A	N/A	1,580	1,892	2,891
h. Number of public record requests (excludes routine requests)	161	174	179	217	307

²Indicator taken from biennial citizen survey – most recent survey occurred in 2014

Goal 5: Promote and enhance the City's safe community and neighborhood programs and initiatives

Maintaining a safe community is the City's highest priority. The 2014 Citizen Survey reflected that 92% of respondents felt safe in their neighborhood during the day and 80% had an overall feeling of safety in Shoreline. These results are reflective of statistics from medium-sized cities across the United States, and it was a slight increase from previous citizen surveys conducted by the City. The City is continuing a concentrated workplan to enhance our public safety communication and crime prevention efforts to ensure that our residents and businesses continue to find Shoreline a safe place to live, work, and play.

ACTION STEPS:

1. Work towards data driven policing and addressing crime trends by focusing efforts on high crime areas and quality of life concerns and continue to work with the City's cross-department safe community team to address problems and implement solutions
2. Continue the partnership between the Parks Department and Police, focusing on park and trail safety through Crime Prevention Through Environmental Design (CPTED), Problem Solving Projects (PSPS) and police emphasis to improve safety and the feeling of safety
3. Continue partnerships and development of best practices with Shoreline schools, the Fire Department and the community to implement school safety programs, such as Active Shooter and Patrol (ASAP) training
4. Continue to focus on traffic issues, including high speed locations, school zones, and traffic complaints, and continue to implement the Neighborhood Traffic Safety Program
5. Continue to coordinate efforts between the Community Outreach Problem Solving (COPS) officer and the City's Neighborhoods Program to work on crime prevention education and outreach
6. Engage and partner with businesses regarding crime prevention efforts specific to the business community to maintain a vibrant, healthy and safe economy
7. Develop and implement the Risk Analysis De-escalation And Referral (RADAR) program to create a systematic policing approach to deal with mental illness in the community

PROGRESS INDICATORS:	2011	2012	2013	2014	2015
a. Percent of residents who have an overall feeling of safety in Shoreline ²	83%	78%	78%	80%	80%
b. Percent of residents who feel safe in City parks and trails ²	58%	56%	56%	58%	58%
c. Number of schools engaged in emergency response planning	Data not available	Data not available	Data not available	Data not available	5 (Includes the entire Shoreline School District as 1 and 4 private schools)
d. Number of CPTED reviews completed or safety emphasis initiatives implemented on City parks or parks facilities	N/A	N/A	1	4	3
e. Number of neighborhood traffic safety improvement efforts ³ <ul style="list-style-type: none"> • Phase 1 (citizen involvement/minor traffic control device installation or revisions) • Phase 2 (installed Engineering solution) 	30	25	27	16/0	21/1
f. Number of community outreach events/activities attended by Police and Emergency Management	3	3	3	4	22 (National Night Out counted as one event.)

² Indicator taken from biennial citizen survey – most recent survey occurred in 2014

³ Data distinguishing between Phase 1 and Phase 2 efforts is not available prior to 2014.

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Human Services Funding Review and Discussion		
DEPARTMENT:	Community Services Division- Human Services		
PRESENTED BY:	Rob Beem, Community Services Manager		
ACTION:	<input type="checkbox"/> Ordinance	<input type="checkbox"/> Resolution	<input type="checkbox"/> Motion
	<input checked="" type="checkbox"/> Discussion	<input type="checkbox"/> Public Hearing	

PROBLEM/ISSUE STATEMENT:

During development of the 2016 budget, Council expressed an interest in reviewing the way in which the City sets the overall level for its competitively allocated funding for human services. Some Councilmembers have expressed a desire to establish a process to add to or adjust human services funding in a more predictable manner than considering amendments during the budget adoption process.

Later this year, the City will begin setting its human services funding plan for the 2017/18 biennium. Tonight, staff is seeking Council's guidance on the level of funding that Council would like to allocate for the competitive human services program, whether this funding level should be derived by a formula tied to a percentage of General Fund revenues, and whether funding for the operations of the Shoreline Lake Forest Park Senior Center should be taken out of the competitive human services program, as is done in most other jurisdictions that fund senior centers.

RESOURCE/FINANCIAL IMPACT:

As human service funding has already been set for this year, there is no fiscal impact in 2016. If Council adopts the staff recommendation to set the level of human services funding at 0.75% of General Fund revenues minus use of fund balance and grants, there will be an increase of \$43,291 in funding for 2017. If Council adopts staff's recommendation to increase human service funding by 0.05% of General Fund revenues minus use of fund balance and grants each year for five years, beginning in 2018, staff estimates that human service funding would increase \$28,301 on average each year through 2022. After 2022 with the funding level set at 1.00% of General Fund revenues, staff estimates that human service funding would increase an average of \$9,731 per-year through 2026, the last year of projections in the current 10 Year Financial Sustainability Plan Model. Implementing the above recommendations will provide an estimated total of \$1,511,284 in additional support to human services in Shoreline from 2017 to 2026 over the base allocation of funding.

This additional funding has not been factored into the 10-Year Financial Sustainability Plan to project its full impact on future revenue gaps. Moreover, there have been no

additional revenue sources identified to cover the proposed increase in competitive service funding, other than implementation of the revenue strategies in the 10-Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and 1.00% funding target be contingent upon the passage of the Levy Lid Lift in November 2016. Staff also recommends that this funding be incorporated into the 2017 budget process and the 2017/2018 human services funding plan.

RECOMMENDATION

As this is a discussion item, no formal action is required. However, staff is seeking Council direction on the following recommendations:

- Staff recommends that ongoing funding for the operations of the Shoreline-Lake Forest Park Senior Center, which totaled \$95,708 in 2016 funding, be transferred from the competitive human services program to the Parks, Recreation and Cultural Services operational budget, starting in 2017.
- Staff recommends that the Council use a formula to set the City's level of funding for competitively allocated human services funds, with the 2017 level set at 0.75% of General Fund revenues. Staff also recommends that Council increase human services funding by 0.05% of General Fund revenues each year for a total of five years until the target of 1.00% of General Fund revenues is reached in 2022. Both of these recommendations would be contingent upon passage of the Levy Lid Lift in November 2016.
- Staff recommends that the increase in human services funding in 2017 and beyond be targeted to address homelessness and other needs in the funding categories of 'Basic Needs' and 'Counseling'.

Approved By: City Manager **DT** City Attorney **MK**

BACKGROUND

Many cities in King County, including Shoreline, allocate funding toward human services as a way to support their residents in order to address both temporary and chronic circumstances. Shoreline's human services funding consists of local General funds, federal Community Development Block Grant (CDBG) funds, and state liquor tax revenues. A portion of the overall support is allocated competitively and a portion is allocated non-competitively. The non-competitive category includes funding as directed by state statute or by specific purpose as established by Council. In Shoreline, non-competitive funding is spent on domestic violence intervention through New Beginnings, utility assistance through Hopelink and substance abuse treatment through the Center for Human Services.

Most cities established a base level of funding when their human services programs began and have adjusted it either by formula and/or in response to need. Shoreline does not have a formulaic process to review or adjust the allocation or level of funding for services. Shoreline has made adjustments over time, growing the total human services allocation from just under \$240,000 in 2001 to \$460,650 in 2016, including one-time funding.

Over the past five years, Council has adjusted the overall level of support to human services agency funding during deliberations on the City's annual operating budget. In developing the 2015 and 2016 annual budgets, Council allocated one-time funding for human services in response to shifts in funding from other agency supporters and increases in demand for services. The 2016 budget contains \$48,850 in one-time funding for an expansion of support to human services funding. In adopting this increase, Council asked the City Manager to bring forward recommendations for a predictable process that will allow for consideration of the full range of human services and agencies.

Establishing the Base Level of Human Services Funding

Prior to 2000, the City allocated funds from a number of revenue sources to support human services. These included a portion of its federal CDBG funds and pass-through state funding for substance abuse treatment and for domestic violence services. In 1999, the City Council reviewed the City's role in human services. A result of this review was the implementation of a competitive grant process to allocate human services funding that included the use of the City's General Fund. The overall goal of this change was twofold: to ensure that Shoreline residents had access to strong local services and that by contributing to regional specialized services, the City would enhance these agencies' awareness of Shoreline residents' needs, therefore expanding residents' access to services.

The competitive human service funding allocation process that was established in 2001 prioritized applications for funding based on a set of desired outcomes at the time. The result was funding for 14 programs (Attachment A) using \$56,994 of CDBG funds and \$183,000 from the General Fund. In addition, the City provided funds to support

domestic violence services through New Beginnings and substance abuse treatment through the Center for Human Service outside this new process.

Since that time the City has added funding to this base funding level four times, in addition to making one-time investments an additional three times (see table below). Beginning in 2012, the City also allocated General Fund dollars to keep the overall funding level constant as CDBG funding declined. This amount fluctuates depending on the expected CDBG allocation. For example, it was \$4,011 in 2012 and \$9,328 in the 2016 Budget.

Additions to Base Level Human Services Funding

2000	Youth Services Plan Enhancements	\$25,000
2005	General Funding Level Increase	\$62,000
2006	Senior Center Request	\$18,000
2008	Utility Assistance	\$25,000
2012	Response to Youth Suicides	\$27,000*
2015	Youth Mental Health	\$15,000*
2016	Core Agencies' Requests	\$48,850*

*One-Time Funding

In 2016, the City's funding for human services totals \$460,650. This figure is composed of:

- \$345,981 - Competitive applications, including \$95,708 for the Senior Center
- \$ 65,819 - Non-competitive grants
- \$ 48,850 - One-time funding in 2016

Changes in Human Services Need

Human services needs are dynamic and growing. The factors that affect this change include overall economic and social trends, population changes, demographic shifts and increases in the cost of providing services.

As Shoreline has grown, particularly since the recent recession, the numbers of residents in need of support services has also grown. Council heard of the impact of these growing needs at last August's dinner meeting with local agencies: the Center for Human Services, Hopelink and the Shoreline Lake-Forest Park Senior Center. The demand for services has increased, as has the depth of services and the costs of services. A few data points illustrate this growth.

- Overall population in Shoreline increased by 1,670, or 4%, from 2006 to 2015.
- Poverty has increased and near poverty is rising¹:
 - Shoreline's poverty rate now stands at 12.8% (2011-13), \$19,530 for a 3 person household; this figure is up from an 8.2% poverty rate in 2005-7;
 - 29% of Shoreline's population, or 14,018 people, lived at 200% of poverty in 2011-13, up from 10,267 in 2005 -06;

¹ Additional detail on these estimates can be found in Attachment B.

- Poverty for children under 18 increased 8.8% to 16.3% between 2005-2007 and 2011-2013; seniors in poverty stayed relatively flat at 8.7%; and
- Participation in Free and Reduced Price Meals increased from 25% in 2010 to 27 %, or 2,527 students, in 2014.
- Homelessness has increased:
 - The 2016 One Night Count increased 134% in North King County, with fully half of that increase in Shoreline; and
 - In the 2014-15 school year, 369 students were homeless; a figure that has more than doubled since 2010-11; as of mid-February 2016, the School District reports surpassing that number already.
- Large proportion of seniors: Shoreline has the second highest percentage, population of seniors of all King County cities with 15.8% of the population over 65.
- Increasing numbers of languages: Shoreline Schools report their students speak upwards of 60 languages, and the number of students enrolled in transitional bi-lingual programs has risen from 5.4% in 2007 to 7.3% in 2014.

Current Human Service Providers in Shoreline

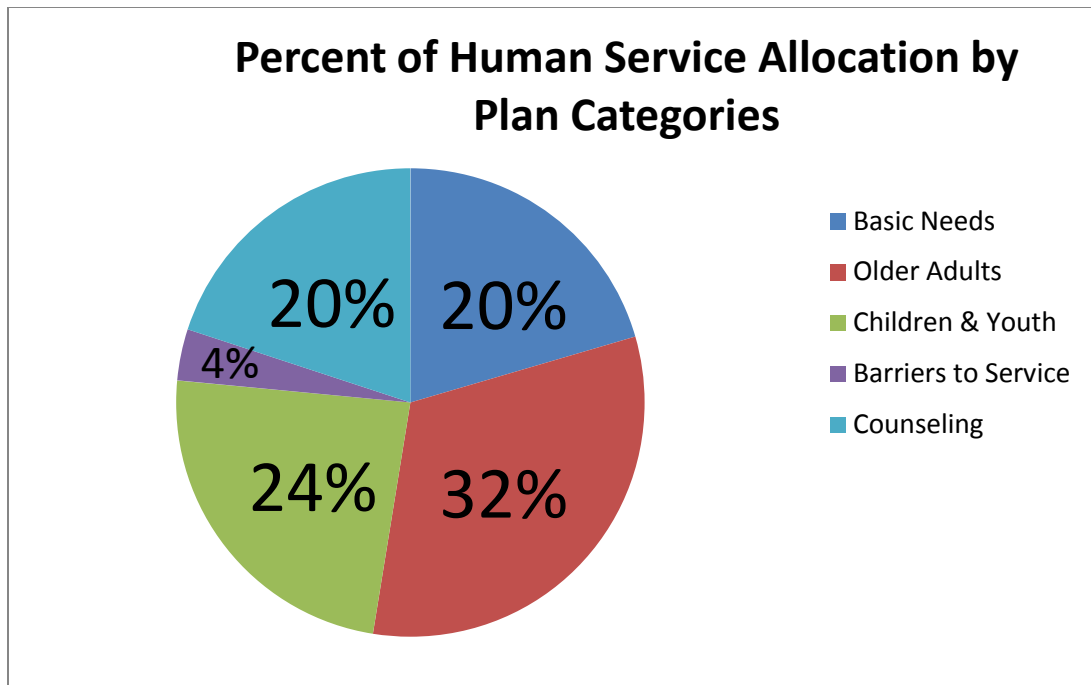
Since 2006, the allocation among, and the number of agencies receiving City of Shoreline human services funding has remained very stable, with modifications only when an existing provider has ceased operation in Shoreline or altogether. The City's current competitive human services funding supports three (3) local agencies (Center for Human Services, Hopelink and the Shoreline-Lake Forest Park Senior Center) and nine (9) regional agencies, delivering a total of 23 programs. Attachment C to this staff report provides a list of currently funded agencies/programs and their level of funding.

The three local agencies receive 76% of the City's overall competitive funding. Combined, all agencies funded by the City report providing services to a duplicated count of 90,562 Shoreline residents. These services range from an hour of counseling to a night of shelter, to a meal, a phone referral, and/or financial assistance.

The human services programs that the City supports are organized into five service areas. They are:

- Basic Needs,
- Older Adults,
- Children and Youth,
- Barriers to Service and
- Counseling.

Attachment C and the graph below indicate the distribution of funding across these categories. While a majority of competitive human services funding is currently spent in the Older Adults category (32%), a majority of this funding is made up of the \$95,708 allocation to the Shoreline-Lake Forest Park Senior Center.



DISCUSSION

During development of the 2016 budget, Council expressed an interest in reviewing the way in which the City sets the overall level for its competitively allocated funding for human services. Council discussions and budgetary allocations over the years suggest that there is a desire to increase the City's support for human services to address growing and changing community need.

In setting a funding level it is instructive to see how Shoreline's current level and method of funding compares to other cities. Seven of 19 cities surveyed in King County have adopted a formula to keep their competitive human services funding in balance with changing needs. The components of these formulas include an inflation/CPI adjustment, a set amount of funding per capita and a percentage of the city's general fund. Attachment D provides a table that highlights the variety of ways cities across King County address this question. This comparison captures funding available for competitive human services grants.

As can be seen on the table, Shoreline's current level of funding at \$6.41 per capita (competitive funding including the Senior Center, but not including 2016 one-time funding) sits below the median for these cities, which is represented by the City of Bothell's per capita funding level of \$6.98. The average per capita funding level for these cities is \$9.29.

However, as the table indicates, Shoreline and Kenmore are the only cities that include the operations of their senior centers as part of their human services funding programs. Most of the cities operate their own centers and older adult programming as an element of their park and recreation function. Removing the current ongoing funding (\$95,708)

for the Shoreline-Lake Forest Park Senior Center from this comparison gives a truer picture of how Shoreline compares to other cities. Similarly, as the \$48,850 in 2016 one-time funding for human services was allocated as one-time, this amount of funding has also not been included. Thus, with Shoreline's allocation for Senior Center operations factored out in this comparison, the City's total per-capita support drops to \$4.64 per capita.

Review of Human Services Funding Formulas

In looking at options for how the City could establish a funding formula for human services funding, the following formula models were reviewed:

Per Capita/Population-Based Formula

The cities of Bellevue, Kent and Redmond use a per capita or population based formula. These cities also apply an inflation adjustment to their funding formula. This formula model reflects population shifts and accounts for increases in demand placed on local agencies by expansions of population. When these cities established their human services policies and programs, each of them anticipated significant population growth from annexations. Using the per capita method is consistent with other budgeting measures used to plan and implement changes in services and service levels due to annexations. This method also adds a factor for inflation and accounts for the increased costs of operations for contractors/agencies over time. The main drawback to per capita adjustments is that they do not bear a close relationship to fiscal capacity. Additionally, this model does not reflect the growth of non-population based aspects of the city.

Cities as large as Bellevue are able to use the additional funds generated by formula-driven growth to add or expand programming year to year. Other cities, even ones with formulas, periodically review and reset their budget for human services based on an assessment of need and within their fiscal capacity. Shoreline did such a reset in 2000 and 2005. The City of Redmond provides another more recent example. While Redmond's funding adjusts automatically with population growth and inflation, just this past year, their Human Services Commission proposed and the Council endorsed a more than 50% increase in their base funding as a response to growing need, particularly in the area of housing and homelessness.

While staff does not recommend using a per capita/population-based formula for determining the appropriate level of funding for Shoreline, using per capita funding for measurement and comparison purposes may be useful.

Percent of General Fund

The cities of Auburn, Burien, Covington and SeaTac each set their level of competitive human services funding by using a percentage of their General Fund. This method generally uses a General Fund level net of the use of fund balance and grants. The benefit of this formula model is that it tracks closely with fiscal capacity for a city and provides predictability for the City and its agencies. The downside is that using this metric decouples the level of support from the drivers of need. At times, where need

typically grows fastest, such as a recession, percentage of General Fund may track in the opposite direction or remain flat compared to the need and will possibly contract the City's ability to respond.

The following chart displays the calculation of both the percentage of General Fund revenues, minus use of fund balance and grants, and per capita funding over time for the City's competitive human services funding, with operational Shoreline-Lake Forest Park Senior Center funding and one-time funding removed. This figure has ranged from a high of 0.91% of General Fund revenues in 2007, to a low of 0.68% this year. Over this same time period, the level of per capita spending has ranged from a high of \$4.73 in 2007 to a low of \$4.42 in 2006.

City of Shoreline Competitive Human Services Allocations

Year	Annual Competitive Allocation (less Senior Center Funding)	% of General Fund Without Use of Fund Balance and Grants	Funding per Capita
2006	\$233,703	0.87%	\$4.42
2007	\$251,343	0.91%	\$4.73
2008	\$242,049	0.81%	\$4.53
2009	\$250,628	0.80%	\$4.61
2010	\$248,751	0.84%	\$4.69
2011	\$249,993	0.78%	\$4.70
2012	\$249,867	0.76%	\$4.70
2013	\$250,173	0.76%	\$4.70
2014	\$250,173	0.74%	\$4.66
2015	\$250,273	0.71%	\$4.64
2016	\$250,273	0.68%	\$4.59

Impact on Services from Additional Funding

In considering any adjustments to funding levels, it is instructive to see what kinds of results will follow from differing levels of funding. Using the needs discussed earlier as examples, the following discussion identifies what is possible at varying levels of additional support.

As outlined in the section on changing needs, housing and homelessness, basic needs, mental health and lastly enhancing the overall support to agencies serving Shoreline, are all pressing needs in Shoreline. The City currently has agencies serving Shoreline addressing each of these need areas; all with the capacity to expand services if funded to do so.

The impact of any new funding ranges from simply solidifying the fiscal soundness of a service to attracting a whole new program to the City. In between, there are increments of program enhancement or expansion. At the low end of the spectrum, adding even 5% of funding to an existing provider's budget will make a meaningful improvement to the service's fiscal sustainability. To attract a new service or program generally requires

that an agency devote at least one quarter (0.25) to one half (0.5) an FTE to the program. Funding for this kind of staffing expansion is in the range of \$25,000 to \$40,000 of additional funds. Expanding an existing service on the other hand can be accomplished with an increment of \$5,000. The following information provides an illustration of what three levels of funding would accomplish:

- *New response to homelessness and solidifying mental health support: \$40,000 - 50,000.* This would allow adding some new staffing in a provider with a base of operation in Shoreline to address homelessness. It would also allow the addition of hours of mental health services through an existing contractor or a new contractor with a presence in the Shoreline area.
- *Expand current services to homeless/housing and mental health: \$20,000 - \$40,000.* An expansion at this level could make more than 200 hours of mental health services available and sustain the 2016 addition of rent and utility assistance.
- *Enhance support for existing services: \$5,000 - \$20,000.* Depending on the number of programs and services funded, this level of additional funding will allow two to six existing programs to meet their current level of service demand.

Human Service Funding Recommendations

Staff proposes four recommendations regarding human services funding, which would be implemented beginning with the 2017-2018 funding biennium:

1. Transferring Senior Center Funding

Staff recommends that funding for the operations of the Senior Center (\$95,708 in 2016 funding) be split off from the competitive allocations of human services funding and be funded through to the Parks, Recreation and Cultural Services (PRCS) operational budget. Funding through PRCS would begin in the 2017 budget and would be provided via a service contract, similar to the service contracts currently provided to the Arts Council, Historical Museum and the Kruckeberg Garden Foundation.

As noted earlier, with the exception of Kenmore, other cities across King County budget for their senior center operations outside of their competitive human services funding allocations. Typically this is an element of the city's community center or recreation programming. Staff strongly recommends that Shoreline remain a strong supporter and funder of the Shoreline-Lake Forest Park Senior Center. Staff is aware that the Senior Center's support from traditional sources, particularly philanthropy, is changing. Separating this funding for basic operations from competitive pressures will allow the City and the Senior Center to explore a long term financial relationship without affecting other human services funding.

2. Establishing a Funding Baseline Using the Percent of General Fund Formula

Staff recommends that the City establish competitive human services funding levels by using the percent of General Fund revenues formula. If the Senior Center is funded through the PRCS operational budget as noted above, for 2016, Shoreline's competitively allocated human services funding amount would be \$250,273. This figure

is derived from the total 2016 human services allocation of \$460,650, with the following allocations factored out:

- 2016 One-time Allocation: \$48,850
- Shoreline-Lake Forest Park Senior Center Operations Allocation: \$95,708
- Non-Competitive Funding Allocation: \$65,819

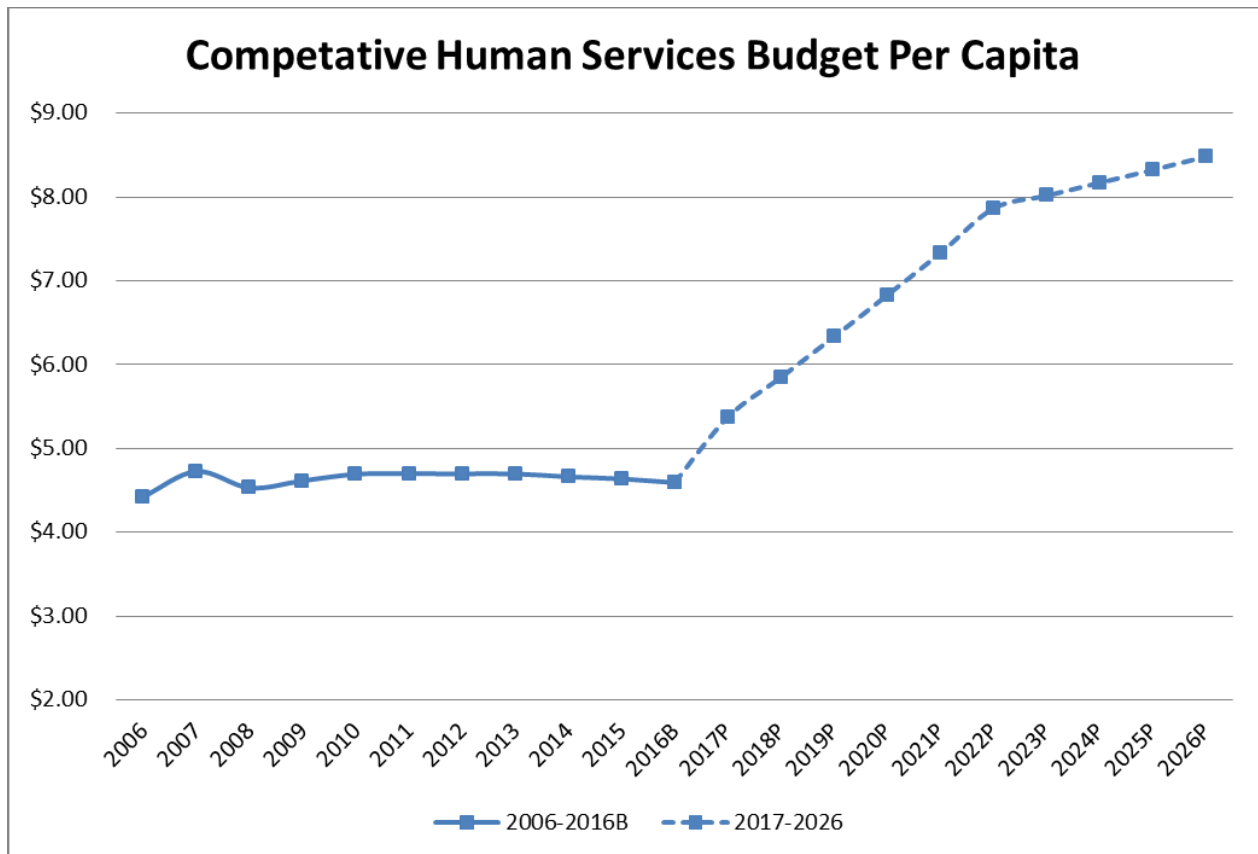
As shown in the table above, the competitive human services allocation of \$250,273 equates to 0.68% of General Fund revenues, minus use of fund balance and grants. Staff recommends that for 2017, a baseline is set at 0.75% of the City's General Fund revenues. This would be a projected increase of \$43,291 over the 2016 competitive allocation, for a total of \$293,564 for 2017. This amount is roughly equivalent to the \$299,123 in 2016 funding for competitive human service funding (\$250,273) plus one time human services funding (\$48,850).

Using any formula provides a level of predictability that is useful for the City and the City's human services providers. It makes program planning more productive, as the level of resources projected to be available is known and efforts can be sized appropriately. The percent of General Fund revenues formula also has the advantages of being straight forward to calculate, it matches funding with the City's ability to provide that funding, and is projected to grow at meaningful levels over time, providing the City with the capacity to respond to growing and changing needs.

3. Establishing a Funding Target

In addition to establishing a funding formula, staff also recommends that 2017 become the baseline from which the City uses a phased-in approach to reach its target allocation of 1.00% of General Fund revenues for competitive human services funding. To reach this target from the 2017 level of 0.75%, staff recommends increasing this percentage by 0.05% per year for five years until 2022. Using projections from the 10 Year Financial Sustainability Model, this approach would result in the following projected increases for competitive human services funding:

Budget Year	Percentage of General Fund	Projected Total Dollar Amount	Projected Increase over Previous Year	Projected Dollar Amount Per Capita
2016B	0.68%	\$250,273	\$0	\$4.59
2017P	0.75%	\$293,564	\$43,291	\$5.37
2018P	0.80%	\$320,343	\$26,779	\$5.85
2019P	0.85%	\$347,746	\$27,404	\$6.33
2020P	0.90%	\$376,000	\$28,254	\$6.83
2021P	0.95%	\$404,550	\$28,550	\$7.33
2022P	1.00%	\$435,070	\$30,520	\$7.86
2023P	1.00%	\$444,535	\$9,465	\$8.02
2024P	1.00%	\$454,276	\$9,741	\$8.17
2025P	1.00%	\$463,938	\$9,662	\$8.32
2026P	1.00%	\$473,994	\$10,056	\$8.48



Moving to both a funding formula based on a percent of General Fund revenues and reaching a target of 1.00% of General Fund revenues over five years will provide for a projected total of \$1,511,284 in additional competitive human services funding over 10 years over the 2016 annual allocation of \$250,273. To implement this funding increase, the City would need to rely on the three remaining revenue strategies in the 10 Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and funding target be contingent upon the passage of the Levy Lid Lift in November 2016.

4. Establishing Funding Priorities

Recent increases in street homelessness, numbers of homeless students in our schools and the increasing levels of economic stress on households all point to the increasing need to respond to threats to our residents' ability find suitable housing or to sustain their current housing. Programs that address this need are elements of services provided in the categories of Basic Needs and Counseling. Staff recommends that the increased funding for 2017 and beyond be allocated to address homelessness and other needs through the categories of Basic Services and Counseling. Thus, staff recommends that human services applications for programs that meet the needs addressed in these categories would be given priority for the increased human services funding in 2017-2018 biennium allocation process.

FINANCIAL IMPACT

As human service funding has already been set for this year, there is no fiscal impact in 2016. If Council adopts the staff recommendation to set the level of human services funding at 0.75% of General Fund revenues minus use of fund balance and grants, there will be an increase of \$43,291 in funding for 2017. If Council adopts staff's recommendation to increase human service funding by 0.05% of General Fund revenues minus use of fund balance and grants each year for five years, beginning in 2018, staff estimates that human service funding would increase \$28,301 on average each year through 2022. After 2022 with the funding level set at 1.00% of General Fund revenues, staff estimates that human service funding would increase an average of \$9,731 per-year through 2026, the last year of projections in the current 10 Year Financial Sustainability Plan Model. Implementing the above recommendations will provide an estimated total of \$1,511,284 in additional support to human services in Shoreline from 2017 to 2026 over the base allocation of funding.

This additional funding has not been factored into the 10-Year Financial Sustainability Plan to project its full impact on future revenue gaps. Moreover, there have been no additional revenue sources identified to cover the proposed increase in competitive service funding, other than implementation of the revenue strategies in the 10-Year Financial Sustainability Plan. Therefore, staff recommends implementation of the competitive human services funding formula and 1.00% funding target be contingent upon the passage of the Levy Lid Lift in November 2016. Staff also recommends that this funding be incorporated into the 2017 budget process and the 2017/2018 human services funding plan.

RECOMMENDATION

As this is a discussion item, no formal action is required. However, staff is seeking Council direction on the following recommendations:

- Staff recommends that ongoing funding for the operations of the Shoreline-Lake Forest Park Senior Center, which totaled \$95,708 in 2016 funding, be transferred from the competitive human services program to the Parks, Recreation and Cultural Services operational budget, starting in 2017.
- Staff recommends that the Council use a formula to set the City's level of funding for competitively allocated human services funds, with the 2017 level set at 0.75% of General Fund revenues. Staff also recommends that Council increase human services funding by 0.05% of General Fund revenues each year for a total of five years until the target of 1.00% of General Fund revenues is reached in 2022. Both of these recommendations would be contingent upon passage of the Levy Lid Lift in November 2016.
- Staff recommends that the increase in human services funding in 2017 and beyond be targeted to address homelessness and other needs in the funding categories of 'Basic Needs' and 'Counseling'.

ATTACHMENTS

Attachment A – 2001-2002 HS Allocations

Attachment B – Snapshot of Poverty - 2015 Poverty Update

Attachment C – 2015-2016 Human Services Funding to Agencies

Attachment D – King County Cities 2015 Human Services Competitive Grant Funding
Level and Adjustment Process

2001-2002 Human Services Funded Programs and Agencies

Senior Services of Seattle/King County:

Shoreline-Lake Forest Park Senior Center	\$ 67,329
Center for Human Services	\$ 83,925
Teen Hope	\$ 15,000
Crisis Clinic—telephone services	\$ 5,000
King County Sexual Assault Center	\$ 4,000
Senior Services of Seattle/KC	
Shoreline—congregate meals	\$ 2,500
East/North Healthy Start	\$ 9,000
Hopelink—emergency services	\$ 18,000
Harborview Children's Response Center	\$ 5,000
Hopelink—Kenmore Shelter	\$ 8,000
The Homelessness Project of the	
Church Council of Greater Seattle	\$ 5,000
Food Lifeline	\$ 5,000
Emergency Feeding Program/Shoreline	\$ 6,500
Crisis Clinic—Teen Link	\$ 3,020

TOTAL \$237,274

CITY OF SHORELINE SNAPSHOT: POVERTY

Summary

The poverty rate, as determined by comparing three year estimates from the American Community Survey for the periods 2005-7 and 2011-2013 increased from 8.2% to 12.8% of the population. This 4.6% increase is statistically significant at the 90% confidence level.

Children under 18 experienced an increase in poverty from an estimated 7.5% in 2005-7 to 16.3% in 2011-13. The 8.8% increase is statistically significant at the 90% confidence level.

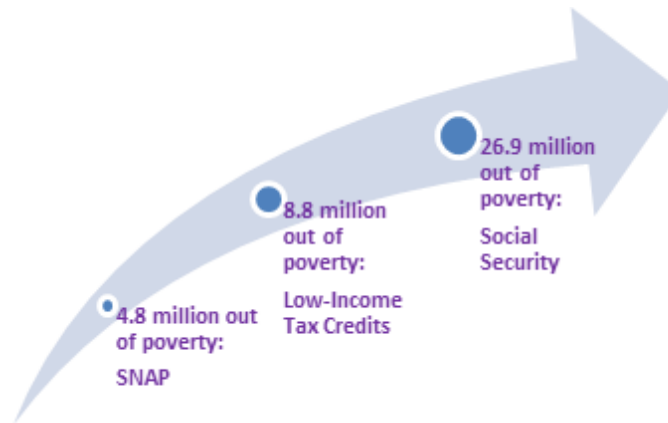
The number of people living below twice poverty increased. Twice poverty is an estimate of what it takes to provide for basic necessities. Between one in four and almost one in three Shoreline residents has an income of twice poverty or less.

BACKGROUND

Poverty levels are measured by family size and composition and are adjusted annually. The federal poverty guideline, established in 1964, was based on a USDA 1955 Household Food Consumption Survey that found that the average family spent one-third of their income on food. The food fraction was multiplied by three to calculate the poverty level. By 2012, food costs were about 13% of an average household budget, according to the U.S. Bureau of Labor Statistics, and a variety of other costs, not included in the original household budget calculation, such as childcare, transportation and health care, have increased substantially.

Few people can survive on a poverty income without outside public or family financial or in-kind supports. Major living costs such as transportation, health care, housing and child care are not factored into the poverty definition. Non-cash assistance such as Supplemental Nutritional Assistance Program (SNAP), housing vouchers and tax credits are also not counted in determining poverty status, but have been very important in keeping many people out of poverty.

The graphic below shows the number of people in the U.S. kept out of poverty by three key federal programs.



The poverty guidelines, shown below, are used for administrative purposes such as qualifying for benefits. The Census Bureau computes poverty rates using a different statistical measure called a poverty threshold.

2013 Poverty Guidelines for the 48 Contiguous States and the District of Columbia	
Persons in family/household	Poverty guideline
1	11,490
2	15,510
3	19,530
4	23,550
5	27,570
6	31,590
7	35,610
8	39,630
For families/households with more than 8 persons, add \$4,020 for each additional person.	

In 2005, the U.S. Census Bureau implemented the American Community Survey (ACS) which measures social, economic and housing characteristics of the population on a continuous basis. In North King County, minimum population thresholds (65,000) for one year estimates are not met, but three and five year estimates are available. Prior to the ACS, poverty data was collected once every ten years using a point-in-time sample that was part of the Decennial Census. For Shoreline, estimates of poverty and other social, economic and housing characteristics of the population are available for three year and five year periods. In comparing the American Community Survey, three year poverty estimates for 2005-7, 2009-11, and 2011-13 the poverty rate for Shoreline varied from 8.2 % to 12.8%. The 4.6% increase in the percent of people living below poverty between the 2005-7 and 2011-13 periods is statistically significant, meaning there is a 90 percent chance this is



a true difference, not caused by sampling error and that the true value falls within the margin of error.

For the 2011-13 estimate, the lower estimate (6856-1376) is 5,480 and the upper estimate is (6856+1376) 8,232 people living at or below poverty.

Poverty Status in the Past 12 Month American Community Survey 3- Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.2	4,203	+/-855
2011-2013	12.8	6,856	+/-1376

Other Measures of Economic Insecurity

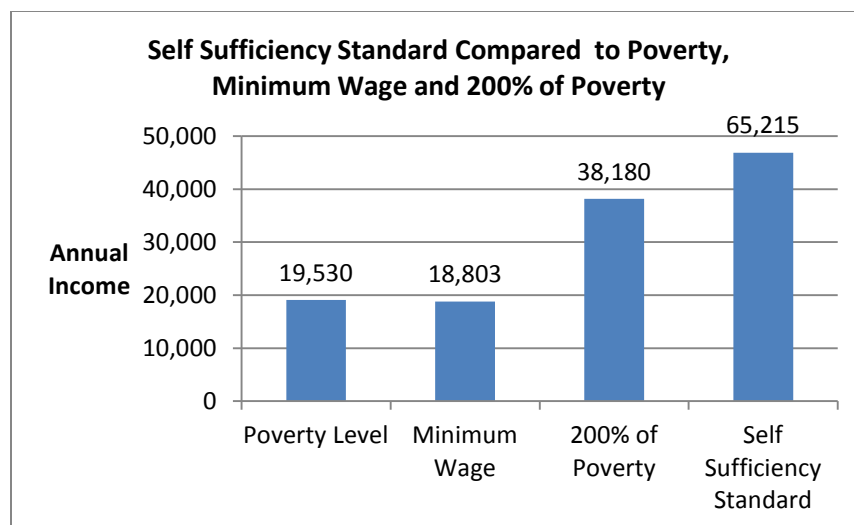
Two other measures that describe the minimum income needed to purchase the basic necessities of life are the number of people living below 200% of poverty and the Self Sufficiency Standard. The number of people living below 200% of poverty, for two separate three year estimates, is shown below. The difference between the two period estimates is statistically significant, meaning the true value has a 90% probability of being between 13,495 and 16, 613 (plus or minus the margin of error) or between one in four and almost one in three Shoreline residents.

All Individuals Below 200 Percent of Poverty American Community Survey, 3-Year Estimates			
Year	Percent	Estimate	Margin of Error
2005-2007	NA	10,267	1,343
2011-2013	NA	15,054	1,559

People living at or below 200% of poverty have enough income for basic necessities but may lack assets to weather an employment gap, or unexpected financial emergency lasting more than 90 days and have limited to no capacity to save money.

The second measure, the Self Sufficiency Standard, measures the income required to provide for basic necessities without subsidies. A calculator (www.thecalculator.org) allows comparison of costs by city. In the Shoreline example, a one adult two child household, with one child pre-school age is shown. This family needs \$5,435 per month (\$30.88 per hour job) or an annual wage of \$65,215 to meet basic expenses without subsidies. The largest expenses are child care \$1,733, housing \$1,409, and taxes \$956. The chart below compares the three other measures of minimum income with the Self Sufficiency Standard. Compared to the Self Sufficiency Standard, the other three measures fall short.





- Poverty Level- 30% of Self Sufficiency Standard
- Minimum Wage -29% of Self Sufficiency Standard
- 200% of Poverty -59% of Self Sufficiency Standard

Poverty by Age

Shoreline residents 65 and older experience poverty at a lower rate than the overall population and the percent in poverty has remained stable. In comparing the 2005-2007 with the 2011- 2013 three year American Community Survey estimates, the number in poverty increased by 105 but the change is not statistically significant. The margin of error is large relative to the estimate size which further reduces the reliability of the estimate.

Population 65 and older, Poverty Status In the Past 12 Months American Community Survey, 3-Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	8.7	646	+/-391
2011-2013	8.7	751	+/-222

Poverty among children under 18 increased 8.8% between 2005-2007 and 2011-2013 and the increase is statistically significant meaning there is a 90% probability the true number in poverty is between 1,015 and 2,345 (plus or minus the margin of error).

Population under 18, Poverty Status In the Past 12 Months American Community Survey, 3-Year Estimates			
Year	Percent Poverty	Estimate	Margin of Error
2005-2007	7.5	759	+/-392
2011-2013	16.3	1680	+/-665

Poverty by Race

The rate of poverty increased for Asians by 7.1% between the 2005-7 and 2011-13 periods and during the same period for White's by 4.7%. The change is statistically significant for white's but not statistically significant for Asians.

Year	Percent Poverty White	Estimate	Margin of Error
2005-2007	6.8	2,581	620
2011-2013	11.5	4,303	1,091

Year	Percent Poverty Asian	Estimate	Margin of Error
2005-2007	6.7	490	293
2011-2013	13.8	907	571

No Shoreline poverty data was available for the 2005-2007 period for African Americans. In the 2011-2013 period an estimated 972 or 25% of the African American population in Shoreline was living below poverty. The percent of African Americans below poverty in King County increased from 28% for the period 2005-7 to 32% for the 2011-2013 period, an increase of 4% that is statistically significant.

No Shoreline data was available for the 2005-2007 periods for the Hispanic or Latino population. For the 2011-2013 periods, an estimated 610 people were living below poverty or 11.9% of the Hispanic or Latino population.

Poverty by Educational Level

The poverty rate for people who did not graduate high school decreased from 26.1% or 764 people in the 2005-2007 period to 22.1%, or 787 people in the 2011-2013 period. The change between the two periods was not statistically significant however the rates of poverty for those who do not finish high school are second only to African American rates of poverty.

Poverty by Family Type

Families headed by female householder with no husband and children under 18 had the highest poverty rates among families in poverty. The poverty rate was estimated at 59% in 2005-2007 and 40.9% in 2009-2011; however, the difference between the two periods was not statistically significant. This represents the highest rate of poverty among the population segments studied.



Chance of Becoming Poor

Nationally, it is estimated that the chance of becoming poor is roughly 4% a year. ¹However, this number does not include people who cycle through poverty. Based on national data, slightly more than half the population (51.4%) will experience poverty before age 65.

For more information contact:

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rbeem@shorelinewa.gov

¹ Transitioning In and Out of Poverty, Urban Institute, Mary Signe-McKernan, Caroline Ratcliffe, Stephanie R. Cellini.

2015-2016 HUMAN SERVICE ALLOCATIONS BY HUMAN SERVICE PLAN CATEGORIES

	2016 Ongoing	2015 One- Time	2016 One- Time
Basic Needs			
Compass Housing	4,598		
Hopelink - Family Support Program	7,500		3,250
Hopelink - Emergency Shelter (Kenmore)	7,208		
Hopelink - Emergency Services	11,889		19,600
Hopelink - Emergency Feeding Services	16,867		
Hopelink - Adult Education	3,000		
Hopelink - Employment	9,762		
Health Point Medical Clinic	4,958		
Food Lifeline	5,000		
	\$70,782		\$22,850
Counseling			
Center for Human Services - Mental Health/Substance Abuse	58,722	15,000	
King County Sexual Assault Resource Center	10,288		
	\$69,090	\$15,000	
Older Adults			
Catholic Community Services` - Volunteer Chore	3,728		
Sound Generations - Community Dining	2,975		
Sound Generations - Meals on Wheels	4,958		
Sound Generations - Volunteer Transportation	3,728		
	\$15,389		
Children & Youth			
Friends of Youth - Healthy Start	9,876		
Child Care Resource and Referral	4,958		
Wonderland - Developmental Screening/Preschool	4,958		
Center for Human Services - Family Support Center	63,042		
	\$82,834		
Barriers to Service/Access			
Crisis Clinic - 24 hour Crisis Line	3,830		
Crisis Clinic - 2-1-1	3,470		
Crisis Clinic - Teen Link	4,958		
	\$12,258		
Total Allocation	\$250,273	\$15,000	\$22,850
Sound Generations - Shoreline LFP Senior Center Operations	\$95,708		\$26,000
Total 2016 Allocation with Senior Center	\$354,981		\$48,850

King County Cities 2015 Human Services Competitive Grant Funding Level and Adjustment Process				
City	2014 Pop. Estimate	2015 Grant Funding	2015 Per Capita	Funding Formula for Grants
Bellevue	134,400	\$ 3,117,067	\$23.19	Population Growth + Inflation
Tukwila	19,210	\$ 365,170	\$19.01	No Formula
SeaTac	27,620	\$ 517,500	\$18.74	1.5% of General Fund
Redmond	57,700	\$ 750,191	\$13.00	Per Capita (\$12.10) + Inflation + DV
Mercer Island	23,310	\$ 300,000	\$12.87	No Formula; Capped Amount
Kirkland	82,590	\$ 759,871	\$ 9.20	No Formula
Issaquah	32,880	\$ 291,000	\$ 8.85	No Formula; Per Capita Target of \$10
Kenmore	21,370	\$ 161,000	\$ 7.53	No Formula; Includes Senior Center
Kent	121,400	\$ 872,866	\$ 7.19	Per Capita + CPI Escalator
Bothell	41,630	\$ 290,500	\$ 6.98	Historically \$7 Per Capita
Covington	18,480	\$ 125,000	\$ 6.76	Target is 2% of General Fund Budget
Auburn	74,860	\$ 490,000	\$ 6.55	1% of General Fund Expenditures
Shoreline	53,990	\$ 345,981	\$ 6.41	No Formula; Includes Senior Center
Woodinville	11,240	\$ 70,000	\$ 6.23	No Formula
Renton	97,130	\$ 567,038	\$ 5.84	No Formula
Federal Way	90,150	\$ 516,000	\$ 5.72	No Formula
Burien	48,240	\$ 275,000	\$ 5.70	1.25% of General Fund Expenditures
Shoreline	53,990	\$ 250,273	\$ 4.64	No Formula; Without Senior Center
Sammamish	49,260	\$ 176,000	\$ 3.57	No Formula
Des Moines	30,030	\$ 81,100	\$ 2.70	No Formula