

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Approval of Proposed 2003/2004 Human Services and Community Development Block Grant Allocations Process
DEPARTMENT:	Parks, Recreation and Cultural Services
PRESENTED BY:	Wendy Barry, Director Rob Beem, Assistant Director

PROBLEM/ISSUE STATEMENT:

Prior to each round of funding allocations, the City identifies priorities and sets the parameters to guide agencies in developing their applications for Health and Human Services funding. Human services funding (both City General Fund and Community Development Block Grant) is allocated on a biennial basis, while capital funding (CDBG only) is allocated on a yearly basis. Our first two-year funding process was implemented for the 2001 and 2002 funding years. As in the past, the City's process is keyed to King County's requirements for the Community Development Block Grant Consortium.

As in years' past, staff recommends that a citizen ad-hoc committee be convened to review project applications and to recommend a funding plan to the City Council. This committee's recommendations will be brought to Council in early September.

FINANCIAL IMPACT:

The amounts of funding estimated to be available are based on this year's current budget level funding. All of these amounts for 2003 and 2004, however, are subject to change based on federal appropriations and upon the funds available for the City's budget during these years. The amounts listed do not include the \$100,000 in one-time emergency funding for human services contained in the 2002 budget. Thus funding will be as follows:

	<u>2002</u>	<u>2003</u>	<u>2004</u>
HS/General Fund	\$ 158,000	\$158,000	\$ 158,000
Youth Services Policy	\$ 25,000	\$ 25,000	\$ 25,000
CDBG/Public Services	\$ 55,900	\$ 55,900	\$ 55,900
Sub Total All Services	\$ 238,900	\$238,900	\$ 238,900
CDBG/Capital	\$ 108,000**	\$ 65,000	\$ 65,000
CDBG/ Home Repair*	\$ 155,000	\$155,000	\$ 155,000
CDBG/ Administration**	\$ 44,800	\$ 44,800	\$ 44,800

*Not included in competitive process

**Higher amount due to recaptured funds from a prior year project that was cancelled.

RECOMMENDATION

Staff recommends that Council approve the human services allocation process as outlined, including the estimated amount of funding to be available, and direct the City Manager to certify with King County the City's intent to use CDBG funds in the amounts and categories estimated. Categories and recommendations are as follows:

	<u>2003</u>	<u>2004</u>
HS/General Fund	\$158,000	\$158,000
Youth Services Policy	\$ 25,000	\$ 25,000
CDBG/Public Services	<u>\$ 55,900</u>	<u>\$ 55,900</u>
Sub Total All Services	\$238,900	\$238,900
CDBG/Capital	\$ 65,000	\$ 65,000
CDBG/ Home Repair	\$155,000	\$155,000
CDBG/ Administration	\$ 44,800	\$ 44,800

New estimates for CDBG funding will not be available from King County until mid-April. If these estimates differ from the recommendations, it is the City's intent to use the maximum amounts available for CDBG Administration and CDBG Public Services, to fund the CDBG Home Repair Program at \$155,000 and to use the remainder for the CDBG Capital program.

Approved By:

City Manager  City Attorney 

INTRODUCTION

As we enter this funding cycle the City needs to establish parameters around how much funding is available and what particular priorities will guide funding allocations. Also, the City must certify to King County the estimated categorical amounts for CDBG funding that we will use for 2003. Council's approval of the estimated amounts serves this purpose.

BACKGROUND

Parameters around how much funding is available and what particular priorities will guide funding allocations provides needed guidance to agencies seeking the City's support. This staff report addresses three specific topics that come together to shape the HS allocation process.

1. Priorities for allocation of HS Funding
2. Amounts of funding estimated to be available for allocation
3. Process for selecting members of the Human Services Advisory Committee

Priorities for Health and Human Services Funding

The City's Human Services Strategy includes 15 Desired Outcomes (see below). All applications for funding are screened to ensure that the programs they support address this prioritized list of goals for City involvement. We recommend that Council approve these Desired Outcomes as a guide for this funding process.

Human Services Strategy – Desired Outcomes

1. More youth involved in structured, positive activities during non-school hours.
2. Reduce delinquency, violence, and crime.
3. More young people more skilled and prepared.
4. Reduce substance abuse.
5. Reduce child abuse and neglect.
6. More people have adequate food, shelter, and clothing.
7. More youth have contact with caring adults.
8. Preserve the independence and quality of life for seniors.
9. More community members work together to solve problems.
10. Increase affordable childcare.
11. Increase affordable housing.
12. Increase employment.
13. Reduce teen pregnancy.
14. Reduce domestic and dating violence.
15. Increase overall levels of academic, vocational, and self-improvement learning for people of all ages, to ensure employability and personal growth.

Priorities for Capital Projects

The City uses a portion of its Community Development Block Grant to fund capital development projects. CDBG capital development funds may be used to address a wide range of City and non-profit needs. In Shoreline as well as other communities in King County, CDBG funds have been used to support housing development, repairs

and modifications to human service agencies' facilities and for City sponsored projects such as curb ramps or sidewalks which address the needs of specific target populations. These populations are typically low and moderate-income individuals and families and persons with disabilities. Each of these types of capital projects varies significantly in terms of benefit, complexity and readiness.

While the Desired Outcomes give adequate guidance for the use of General Fund and CDBG Public Services funding, they are not specific enough to provide the same level of guidance for capital funding. During the last funding process, Council approved a set of Capital Priorities to be used in the allocation of CDBG Capital funds. The Capital Priorities were approved in 2000 and were used in the 2001 and 2002 CDBG Capital allocation processes. Staff recommends that Council reaffirm these priorities for use in the 2003 CDBG Capital Allocations process.

Priorities for Capital Projects

1. Housing development
2. Repairs to human service agency facilities
3. City projects addressing the needs of specific populations

Funding Available

Funding for this allocation process is a blend of City General Funds and the City's share of the Community Development Block Grant. Typically at this point in the funding cycle, staff estimates the total funds available based on past year's funding levels. These levels are subject to change as a result of the Federal appropriation for the CDBG and as a result of the City's annual budget.

The total 2002 General Fund HS allocation is \$183,000, which includes \$158,000 in funds for a variety of services and \$25,000 in Youth Services Policy funds that were added in the last funding process to address priorities contained in the Youth Services Policy that was adopted by Council in January 2000. This funding does not include 2002 budget's \$100,000 in Emergency Human Services Funding.

The total CDBG allocation for 2002 is approximately \$323,000 (which does not include an additional \$40,000 reclaimed from a cancelled capital project and was re-allocated for 2002). CDBG funding supports four separate activities: Public Services (Human Services), Housing Repair, Capital Projects and Administration. Staff proposes to maintain a status quo in regards to the distribution of the CDBG funds into the separate activities. The funding amounts for CDBG/Administration and CDBG/Public Services represent the highest amounts allowed for these categories. Funding at the recommended level for CDBG/Home Repair (managed on our behalf by King County) is intended to allow Shoreline to serve between 10 and 15 homeowners.

Our estimates of available funding are as follows:

	<u>2002</u>	<u>2003</u>	<u>2003</u>
HS/General Fund	\$ 158,000	\$158,000	\$ 158,000
Youth Services Policy	\$ 25,000	\$ 25,000	\$ 25,000
CDBG/Public Services	<u>\$ 55,900</u>	<u>\$ 55,900</u>	<u>\$ 55,900</u>

Sub Total All Services	\$ 238,900	\$238,900	\$ 238,900
CDBG/Capital	\$ 108,000**	\$ 65,000	\$ 65,000
CDBG/ Home Repair*	\$ 155,000	\$155,000	\$ 120,000
CDBG/ Administration*	\$ 44,800	\$ 44,800	\$ 44,800

*Not included in competitive process

**Higher amount due to recaptured funds from a prior year project that was cancelled

Appointment of the HS Advisory Committee

In order to retain the connection between this Committee and Council, staff recommends that the Mayor and Deputy Mayor review and appoint members. Staff would work with Council, to generate applicants for the Committee beginning in early May. The list of candidates would be reviewed and appointed by the Mayor and Deputy Mayor in early June.

Process Schedule

Applications Available/Workshop	4/30
Solicit Applications for HS Committee	5/3
Committee Applications Due	5/28
Funding Applications Due	6/7
HS Advisory Committee Meetings	July
Recommendation completed by	8/9
Council Hearing/Review/Action	9/10
CDBG Plan due to King County	9/24

ALTERNATIVES ANALYSIS

There are a few constants to consider in the allocation process. The City has committed to being a participant in the King County Consortium through 2003. Also, King County requires that the City submitted projects to be funded by September 24, 2002. The County also requires that the City certify estimated amounts of CDBG categories by May. The schedule and amounts indicated for the allocations process has been developed with those requirements in mind.

The City is bound by federal regulations and County information in regards to the amounts available for CDBG Public Services and CDBG Planning & Administration. Those categories have statutory ceilings that the King County Consortium must abide by. The City has always used the maximum available in Public Services and Planning & Administration. Amounts available in these categories, as well as the overall City allocation of CDBG funds has been declining in the past 3 years. Because of the tenuous climate for human service programs, staff recommends continuing to use all available CDBG Public Service funding for human services. There is no limit on the level of funding for CDBG Home Repair or CDBG Capital Projects. Staff has recommended Home Repair at \$155,000 and Capital Project at \$65,000. This recommendation is based on past funding levels and provides approximately 10-15 homeowners with assistance each year. This allows for a substantial impact on Shoreline's housing stock at the same time supporting local capital projects.

SUMMARY

For the second time, the HS Allocations process will cover a two-year, 2003-2004, funding cycle. The City will allocate an estimated \$238,900 for services and \$65,000 for capital projects in each year of the cycle (as in the previous two-year cycle, CDBG Capital allocations will be developed each year). As in the past the Desired Outcomes will serve as a guide for the City's funding priorities. Capital projects will also be evaluated based on the degree that they meet the City's Priorities for Capital Projects.

The City will form an HS Advisory Committee to develop a recommendation for Council as to the allocation of these funds. The Mayor and Deputy Mayor will make appointments to this Committee.

RECOMMENDATION

Staff recommends that Council approve the human services allocation process as outlined, including the estimated amount of funding to be available, and direct the City Manager to certify with King County the City's intent to use CDBG funds in the amounts and categories estimated. Categories and recommendations are as follows:

	<u>2003</u>	<u>2004</u>
HS/General Fund	\$158,000	\$158,000
Youth Services Policy	\$ 25,000	\$ 25,000
CDBG/Public Services	<u>\$ 55,900</u>	<u>\$ 55,900</u>
Sub Total All Services	\$238,900	\$238,900
CDBG/Capital	\$ 65,000	\$ 65,000
CDBG/ Home Repair	\$155,000	\$155,000
CDBG/ Administration	\$ 44,800	\$ 44,800

New estimates for CDBG funding will not be available from King County until mid-April. If these estimates differ from the recommendations, it is the City's intent to use the maximum amounts available for CDBG Administration and CDBG Public Services, to fund the CDBG Home Repair Program at \$155,000 and to use the remainder for the CDBG Capital program.