

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE: Public Hearing to Consider the Proposed Use of 2010 Community Development Block Grant funds. Authorize the City Manager to sign the contracts to implement approved programs and projects
DEPARTMENT: Community Services Division
PRESENTED BY: Robert Beem, Community Services Division Manager

PROBLEM/ISSUE STATEMENT: Shoreline uses its Community Development Block Grant (CDBG) funds to meet the needs of our low and moderate income citizens through support to community agencies and improvements to our physical infrastructure. In 2010 we anticipate receiving \$361,579 in CDBG funding. Each year the City must hold a public hearing and adopt the HS Plan's proposed use of CDBG funding. Our 2010 CDBG Plan implements two previous Council actions. The first is the 2009-2010 Human Services Plan adopted in September of 2008. In May of this year the City reallocated "old" CDBG funding originally slated to support the development of affordably priced housing. During the course of this action a commitment was made to restore funding to housing development with the 2010 CDBG process.

ALTERNATIVES ANALYZED: After holding a public hearing on proposed 2010 CDBG Plan, Council has two alternatives to consider:

1. Council could approve the 2010 CDBG Plan for services and capital projects as recommended and authorize the City Manager to take the actions necessary to implement these spending objectives. (Recommended)
2. Council could make changes to the recommended spending plan in response to public testimony or to reflect a change in Council policy objectives.

FINANCIAL IMPACT: The Plan anticipates that the City of Shoreline will have \$361,579 in new CDBG funds (subject to final federal appropriations) to allocate for in 2010.

RECOMMENDATION

After holding a public hearing, staff recommends that Council adopt the 2010 Community Development Block Grant Plan in accordance with Attachments A and Attachment B and authorize the City Manager to enter into agreements for implementing the funded projects.

Approved By: City Manager  City Attorney _____

INTRODUCTION

Each year, the Council must provide citizens with an opportunity to comment on the proposed use of Community Development Block Grant (CDBG) funds by holding a public hearing prior to taking action to adopt the allocation plan. As in past years CDBG funding is proposed to be used for Housing Repair, Public Services (Human Services agency support) Planning & Administration and Capital Projects.

BACKGROUND

2010 Human Services Allocation Plan

Every other year the City develops a biennial plan to specify how it will allocate funds to address residents' human services needs. The current plan, adopted in 2008, supports the work of 25 separate programs serving over 11,000 Shoreline residents each year. See Attachment B for a list of agencies and the amounts of funding they received in 2009.

All activities are targeted to address the needs of low and moderate households and individuals. We use our CDBG to fund a portion of the activities in this two- year plan. The CDBG program has specific requirements that require the City Council to hold an annual public hearing and to adopt an annual CDBG Allocation Plan. While the City develops a two-year plan for human service allocations, a separate action is required to adopt the CDBG allocation plan each year. Attachment A specifies the 2010 CDBG Allocation Plan that addresses this requirement.

Community Development Block Grant Program – Overview

The primary objective of the community development program is the development of viable urban communities, by providing decent housing, a suitable living environment and expanding economic opportunities, principally for persons of low- and moderate-income. CDBG funds can serve households with incomes up to 80% (\$49,200 for a two person household) of the King County median income. CDBG funds can be used for the following activities: acquisition and rehabilitation of housing for low-income and special needs populations; housing repair for homeowners and renters; acquisition and rehabilitation of community facilities; public infrastructure improvements; delivery of human services; historic preservation; planning; CDBG program administration; and economic development.

We have an Inter-local Agreement with King County for the administration and management of the City's CDBG grant. This agreement calls for the City's annual CDBG Plan to allocate roughly 50% of the available revenues to local projects. These typically include human services and capital projects. The balance of the CDBG funds are allocated to the delivery of broad regional programs which serve Shoreline citizens and to program planning and administration. Regional programs include a homeless prevention program and the King County Home Repair program.

Total 2010 CDBG Funding: \$ 361,579

The total amount of new funding that is available to support services to Shoreline residents in 2010 is projected to be \$361,579. This consists of a \$348,019 Federal appropriation, plus \$13,560 of program income from home repair loans which were paid off and savings from a prior year's project.

The CDBG Inter-local Agreement between King County and the City of Shoreline specifies percentages of funding as noted above. Beyond programs funded in the Inter-local, the City has the responsibility to specifically direct how \$39,268 in human services funds are allocated and how \$134,320 in capital funds are allocated. The following chart specifies how the full amount of CDBG revenue is divided among various categories.

CDBG Category	2010 est
Public Services	
The Housing Stability Project*	\$18,077
Human Service Agency Funding	\$39,268
King County Home Repair *	\$90,380
Capital projects	
Minor Home Repair	\$70,000
Housing Set Aside	\$64,320
Capital Project Administration*	\$ 7,230
Program Administration and Planning	
King County*	\$36,152
City of Shoreline	\$36,152
Total CDBG Funding	\$361,579

*Percentage set in the Interlocal Agreement

THE PROCESS

The City allocates most funding for Human Services through a biennial competitive application process, developed in consultation with an Ad-hoc Human Services Advisory Committee (see Attachment E for a list). The 2009-2010 Human Services Funding Plan was adopted in the fall of 2008. As always this plan is contingent on adoption of the City's annual budget and on federal appropriations. Continued funding in the second year is also contingent on an agency's satisfactory performance. For administrative efficiency City CDBG funds are allocated to support one project, Shoreline/Lake Forest Park Senior Center. See Attachment A for a list of projects specifically funded with CDBG funds. The amounts for all projects recommended for funding in 2009 and 2010 are listed in Attachment B.

In building the two year plan, the City invited applications from a list of over 60 "interested parties" for Shoreline's 2009-2010 Human Services funding. An announcement of application availability was also placed in the Seattle Times and Enterprise newspapers. An applicants' conference was held in conjunction with the North and East Funders Group on April 23, 2008. For the first time, all applications to North and East King County cities were submitted electronically to the eGov web portal maintained by the City of Bellevue.

The City Manager convened an Ad-hoc Allocations Committee to review and make recommendations on the projects that should be funded. In completing their work, the Ad-hoc Committee relied on guidance from an updated Human Services Needs Assessment, existing policies such as the Human Service Desired Outcomes and agency performance data, agency applications and staff summaries of each project. The Committee's recommendations were accepted by the City Council.

2009 CDBG Capital Allocation

To better match varying capital project needs and opportunities, the City allocates CDBG Capital funding annually. Earlier this year the City Council took action to allocate some prior years' unspent CDBG funding and newly appropriated CDBG funding for city identified capital projects: sidewalk repair and Green Streets demonstration. At that time funds the City had identified to support development of affordable housing were re-allocated to support the capital projects. The 2010 Plan provides \$64,320 to support for affordable housing.

Minor Home Repair: \$70,000: This program fills the gap between the major home repair program - targeted to larger planned projects and major emergency repairs and the small electrical, carpentry and plumbing repairs needed by home owners on a frequent basis to keep their homes safe and in good repair. Through the end July, 2009, the program has completed 62 jobs at 19 different residences. At the current rate, the contract will be fully expended by the end of 2009.

The Minor Home Repair program is targeted to income eligible residents, mostly senior citizens. Home owners pay \$10.00 per hour for the service, plus the cost of materials. The grant pays for personnel costs relating to the program. Given the age of Shoreline's housing stock, the high number of older adults aging in place and the number of low and moderate income home owners, this program continues to be in high demand. The program is contracted out to Senior Services of Seattle/King County through a non-competitive grant process.

Affordable Housing: \$64,320: The City's Housing Strategy calls for Shoreline to assist in the financial support of affordably priced housing. This funding is reserved for use by non-profit developers to meet this goal. By reserving these funds Shoreline is better able to be a partner with and to encourage non-profits to pursue developments within our community. While there are no projects currently being developed in Shoreline using these funds organizations will be able to apply to the City as projects come on line. If no projects materialize, by January of 2011, these funds may be reprogrammed to support installation of eligible sidewalk repairs.

Local Delivery of Regional Programs

Shoreline's Inter-local Agreement with King County allocates City CDBG funds to two regional programs that serve Shoreline residents locally. The amount of funding to each program is set by formula in the Inter-local.

The Housing Stability Project: \$18,077: A key strategy towards preventing homelessness involves keeping families in their current housing. The Housing Stability Program makes one-time loans and/or grants to homeowners and tenants in danger of

eviction or foreclosure because of short-term financial difficulties. It also provides loans or grants to homeless families and individuals who need assistance moving to permanent housing, and limited assistance for other types of moves. Support for this program is set at 5% of all Consortium Cities' CDBG funding.

Major Home Repair: \$90,380: The King County Housing Repair Program administers the Major Home Repair program on Shoreline's behalf. The allocation to this program for each city is set in the Inter-local at 25% or \$90,380 of the City's total CDBG amount. Shoreline has made this service available to its residents since it first chose to participate in the CDBG Consortium. This program provides emergency grants and interest free loans to income eligible homeowners. Loans are recouped as revenue to the program when a home sells; hence the amount available to disperse varies from year to year. In 2009, the program has assisted five households through the second quarter. There is sufficient fund balance in the City's Home Repair accounts with King County to ensure sustained availability of this program in future years.

2009 Public Services

Allocate Maximum to Public Services: \$39,268: The overall 2009-2010 Human Services Funding Plan, see Attachment B, provides funding to 26 separate programs. Though each program is eligible to receive CDBG funds, in order to achieve greater administrative efficiency, the CDBG Public Services funds are allocated to one program. As in the past, the 2010 CDBG Plan fully allocates the maximum amount of funding for public services allowed, \$39,268 to the Shoreline/Lake Forest Park Senior Center. The balance of their \$77,708 in funding is from the City's General Fund.

RECOMMENDATION

After holding a public hearing, staff recommends that Council adopt the 2010 Community Development Block Grant Plan in accordance with Attachments A and Attachment B and authorize the City Manager to enter into agreements for implementing the funded projects.

ATTACHMENTS

Attachment A: 2010 CDBG Funding and Contingency Plan
Attachment B: 2009-2010 Human Services Allocation Plan

ATTACHMENT A

2010 CDBG Funding and Contingency Plan

CDBG Category	2010
Public Services	
The Housing Stability Project	\$18,077
City Defined Agency Funding (Shoreline/LFP Senior Center)	\$39,268
King County Home Repair	\$90,380
Capital Projects	
Minor Home Repair – Senior Services	\$70,000
Housing Development Program	\$64,320
Capital Project Administration	\$ 7,230
Program Administration and Planning	
King County	\$36,152
City of Shoreline	\$36,152
Total Estimated CDBG Funding *	\$361,579

2010 CDBG Funding Contingency Plan

Since the CDBG funds are an estimate from the federal government, Shoreline must also adopt a contingency plan to deal with possible variations in the amount available. Plans must be made in case the amount available increases or decreases by up to 10% of the amount currently estimated. In addition, if an applicant later declines funds, the adoption of a contingency plan of action will expedite the process of reallocation. The HUD budget is very uncertain this year and there is a greater likelihood of a reduction in CDBG funding.

1. If additional funding becomes available:

a. Public Services

In the event CDBG Public Service funds are increased in 2010, any additional funds would be distributed equally among the three core services: Center for Human Services, the Shoreline/Lake Forest Park Senior Center and Hopelink.

b. Capital Projects

If additional CDBG Capital funds become available to the City in 2010, these funds will be allocated to the Housing Development Program.

c. Planning & Administration

If additional CDBG Planning & Administration funds become available to the City in 2010, it is recommended that the City use these funds for planning and administration purposes.

ATTACHMENT B

2009-2010 Human Service Allocation Plan

	2009 - 2010 Grantees	2008 Awarded	2009 Awarded	2010 Recommended
1	Catholic Community Services/ Volunteer Chore	3,728.00	3,728.00	3,728.00
2	Child Care Resources /Resource and Referral	4,958.00	4,958.00	4,958.00
3	Children's Response Center	5,082.00	5,082.00	5,082.00
4	CHS-Family Counseling	47,722.00	47,722.00	47,722.00
5	CHS-Shoreline and Ballinger Homes Family Support Ctr	63,042.00	63,042.00	63,042.00
6	CHS-Substance Abuse	11,000.00	11,000.00	11,000.00
7	Community Health Centers - Medical	4,958.00	4,958.00	4,958.00
8	Crisis Clinic/ 24 -Hour Crisis Line	3,830.00	3,830.00	3,830.00
9	Crisis Clinic/2-1-1 Community Info Line	3,470.00	3,470.00	3,470.00
10	Crisis Clinic/Teen Link	4,958.00	4,958.00	4,958.00
11	Food Lifeline	5,000.00	5,000.00	5,000.00
12	FOY Healthy Start	9,876.00	9,876.00	9,876.00
13	HomeStep	4,598.00	4,598.00	4,598.00
14	Hopelink/ Adult Literacy	3,000.00	3,000.00	3,000.00
15	Hopelink/ Emergency Shelter & Trans. Housing	7,208.00	7,208.00	7,208.00
16	Hopelink/ Family Development Program	7,500.00	7,500.00	7,500.00
17	Hopelink/Emergency Food Services	4,958.00	4,958.00	4,958.00
18	Hopelink/Emergency Services	23,798.00	23,798.00	23,798.00
19	KSARC/Comprehensive Sexual Assault Service	5,206.00	5,206.00	5,206.00
20	Senior Services - Community Dining	2,975.00	2,975.00	2,975.00
21	Senior Services - Meals On Wheels	4,958.00	4,958.00	4,958.00
22	Senior Services - Shoreline/LFP Senior Center ¹	77,708.00	77,708.00	77,708.00
23	Senior Services - Volunteer Transportation	3,728.00	3,728.00	3,728.00
24	Wonderland Development Center	4,958.00	4,958.00	4,958.00
25	Refugee Women's Alliance	0.00	9,762.00	9,762.00
	Grand Total Services	318,219.00	327,981.00	327,981.00

¹ This does not include the \$18,000 in emergency funding provided in 2009 and proposed in 2010.

2. If funding reductions are necessary:

a. **Public Services**

In the event CDBG Public Service Funds are reduced in 2010, the Committee recommends reducing funding to all projects by the percentage of the decrease in overall funds.

b. **Capital Projects**

In the event the City's 2010 CDBG Capital Funds are reduced fewer dollars will be allocated the Housing Development Program.

c. **Planning & Administration**

If a reduction is necessary in CDBG Planning & Administration funds in 2009, it is recommended that the City reduce the amount to be used funds for planning and administration purpose.

3. If no projects are identified for use of the Housing Development Program by January 1, 2011, funding the full amount allocated may be shifted to Sidewalk Accessibility Program.