

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing to Consider the 2013-2014 Human Services Funding Plan and the Proposed Use of 2013 Community Development Block Grant and Authorizing the City Manager to sign the contracts to implement approved programs and projects
DEPARTMENT:	Community Services Division
PRESENTED BY:	Rob Beem, Community Services Division Manager George Smith, Human Services Planner

PROBLEM/ISSUE STATEMENT: Shoreline partners with human service agencies to meet the needs of its residents by providing financial support using both local revenues and federal Community Development Block Grant (CDBG) funds. The City's biennial Human Services Allocation Plan specifies the allocations to the various agencies. The City Manager is forwarding her recommendation for the 2013 allocation of \$383,003 of City General Funds and \$290,000 of CDBG funds. In order to use CDBG funding, the City must hold a public hearing and adopt the Human Service Plan's proposed use of CDBG funding each year. At a February 21, 2012 presentation to Council, staff recommended and Council concurred in a continuation of the current (2011-12) funding plan for human services for 2013 through 2014. The rationale for this approach was that the current human services allocation meets the objectives of the City's Human Service Plan, no new funding is available and all agencies currently funded are meeting their objectives.

A new plan for capital spending for 2013 is required and is included as Attachment A.

ALTERNATIVES ANALYZED: After holding a public hearing on proposed 2013-14 Human Services Funding Plan, Council has two alternatives to consider:

1. Council could approve the 2013-14 Human Services Funding 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 \$383,003 of General Funds and \$290,000 in CDBG funds (subject to final federal appropriations) to allocate in 2013 and 2014.

RECOMMENDATION

Staff recommends that Council hold a public hearing on the 2013-2014 Human Serviced Funding Plan and following the hearing authorize the City Manager to enter into agreements for implementing the funded projects.

Approved By: City Manager ***JU*** City Attorney ***IS***

INTRODUCTION

The City supports Human Services delivery by non-profit agencies using both local and federal funds. Each year, the Council must hold a public hearing on the proposed use of Community Development Block Grant (CDBG) and take action to adopt the allocation. CDBG funding is proposed to be used for Planning & Administration, Housing Repair, Public Services and Capital Projects.

BACKGROUND

Biannual Human Services Funding Plan

Traditionally the City develops a biennial Human Services Funding Plan to specify how it will allocate funds to address residents' human services needs. The current plan, adopted in 2010, supports the work of 27 separate programs serving an estimated 8,000 Shoreline residents each year. Attachment B provides a list of agencies and the amounts of funding they received in 2012.

All activities are targeted to address the needs of low and moderate households and individuals. The plan is funded with a combination of local and federal revenues. Local general funds account for \$383,003 of the funding plan and Federal revenues, which come from the CDBG program account for \$290,000. The Federal funding has specific requirements that the City Council hold an annual public hearing before adopting the 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 2013 Human Services Plan that addresses this requirement.

Community Development Block Grant Program

The Federal Community Development Block Grant Program (CDBG) was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the community development program is the development of viable urban communities, by providing decent housing and 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.

The City has 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 48% of the available revenues to local projects. These typically include human services and capital projects. The balances of the CDBG funds are allocated to the delivery of regional programs which serve Shoreline citizens and to program planning and administration. King County has requested that the City recommend funding for capital grants with a minimum amount of \$50,000 if possible to keep King County's administrative costs low. Regional programs include a homeless

prevention program (5%) and the King County Home Repair program (25%). Planning and administrative costs are agreed to be 10% for the City and 12% for the County.

Total 2013 CDBG Funding: \$ 290,000

The total amount of new CDBG funding that is available to support services to Shoreline residents in 2013 is projected to be \$290,000. The CDBG Inter-local Agreement between King County and the City of Shoreline specifies the percentages of funding for regional projects. In addition to the 52% of CDBG allocated for regional programs, the City uses the maximum 10% allowable to support direct services (\$26,500) and the remaining balance of 38%, or \$100,700, for capital projects. The following chart specifies how the full amount of CDBG revenue is divided among various categories. In addition to the \$265,000 in revenue, an additional estimated \$25,000 from repaid loans in the major home repair program will be available for a total of \$290,000. The amount of loan funding paid off each year fluctuates.

Inter-local Allocation of CDBG	2013
Public Services	
The Housing Stability Project (5%)*	13,250
Human Service Agency Funding (10%)	26,500
King County Major Home Repair (25%)*	66,250
Major Home Repair Loan Repayments**	25,000
Capital projects	
Project Funding	100,700
King County Capital Project Administration*	5,300
Program Administration and Planning	
King County*	26,500
City of Shoreline*	26,500
Total CDBG Revenue	\$290,000

*Percentage set in the Inter-local Agreement.

**Fluctuates depending on loan repayments each year

2013-2014 Human Service Allocation Process

The City allocates most funding for Human Services through a biennial competitive application process. The current 2011- 2012 Human Services Funding Plan was adopted in the fall of 2010. The proposed 2013-2014 Human Services Funding Plan is contingent on adoption of the City's annual budget and on federal Congressional appropriations. Continued funding in the second year is also contingent on an agency's satisfactory performance. For administrative efficiency CDBG funds are allocated by the City 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 2013 and 2014 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 2013-2014 Human Services funding. An announcement of application availability was also placed in the Seattle Times newspaper. An applicants' conference sponsored by the Human Services Funders Collaborative (HSFC) was held on March 7, 2012. The HSFC now includes 18 cities in

north, east and south King County. The HSFC also sent email notification to a group of several hundred interested parties throughout King County. All applications to HSFC cities were submitted electronically through a new portal called Share1App created by HSFC. Applications were due April 26th.

In preparing the 2011-2012 biennial Human Services Funding Plan, an Ad-hoc Citizen Committee found that the overall allocation of existing resources across the seven categories in the Human Service Plan is appropriate (See Appendix D for funding by category). Since all current applicants are performing satisfactorily on their contracts, and no new monies are available for services, staff recommended and Council concurred at its February 21, 2012 meeting that the City should anticipate no change in the allocations among the various agencies. As such, a citizen review committee would not be required.

A total of six new applications were submitted in addition to the applications submitted by the fifteen currently funded agencies. Staff reviewed the applications using the following criteria:

- a. Meets contract performance measures
- b. Satisfactorily answered cultural competence question on fourth quarter 2011 report
- c. Satisfactorily completed the renewal application
- d. Satisfactory use of program outcomes

Staff concluded that current applicants meet the criteria.

2013 CDBG Capital Allocation Process

The City received five applications for CDBG capital funds. The applicants included:

Project	Dollar Amount Requested
Minor Home Repair	\$92,000
Curb Ramps Sidewalk Repair	\$35,000
Foundation for the Challenged	\$30,000 (revised to \$15,000)
K.C. Housing Fan Replacement	\$33,000
Provail TBI Center	\$35,000

A staff review committee consisting of the Community Services Director Manager, Budget Analyst and Human Services Planner met and reviewed the five capital applications using six criteria and a 100 point scale. The six criteria were: local need, accessibility, consistency with City plans and policies, collaboration, feasibility, and funding.

When developing the capital funding recommendation staff kept in mind the guidance from the King County Consortium that indicates a strong preference for a minimum level of funding to any single stand-a-lone project of \$50,000. This keeps the County's costs to administer projects more affordable. Per our interlocal agreement the City is limited to a total of two capital projects that would trigger certain labor and environmental

regulations. Thus, with the reductions in overall CDBG funding, the City is only able to provide funding to one project, in addition to Minor Home Repair.

Projects Recommended for Capital Funding

Minor Home Repair: \$85,700

This program fills the gap between the major home repair program - targeted to larger planned projects and major emergency repairs and small electrical, carpentry and plumbing repairs needed by home owners on a frequent basis to keep their homes safe and in good repair. In 2011 the program was funded at \$70,000 and completed 120 repairs at 45 different residences. In 2012 the program is funded at \$76,381 and is on track to serve 55 households. The agency requested \$92,000 for 2013 to serve 66 households and to complete 167 repairs.

The Minor Home Repair program is targeted to income eligible residents and most are older adults. 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 and there is no other non-City funding source for this program.

Foundation for the Challenged: \$15,000

This project will acquire and remodel a single family residence to accommodate three to four Shoreline residents with developmental disabilities. Tenants will have incomes below 20% of the area median and receive 24 hour supportive services. The applicant is making a commitment to 40 years of affordability with rents set at 30% of income minus a utility allowance. The project is consistent with the City's Housing Strategy and Comprehensive Plan and will serve a very low income population, fewer than 30% of area median income, the income group for which there is the least amount of housing. Initially the agency applied for \$30,000 to develop two houses. They subsequently notified staff they would only be developing one residence in Shoreline and adjusted their request to \$15,000 accordingly.

While the Foundation for the Challenged home is less than the \$50,000 desired threshold, as presented, the project is a straight forward acquisition and one in which administrative costs are historically minimized.

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. The amount of funding to each program is set by formula in the Inter-local.

The Housing Stability Project: \$13,250: 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: \$66,250: 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% 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 2011, the program funded 9 projects. There is sufficient fund balance in the City's Home Repair account with King County to ensure sustained availability of this program in future years.

2013 Public Services

Allocate Maximum to Public Services: \$26,500: The overall 2013- 2014 Human Services Funding Plan, see Attachment B, provides funding to twenty-four separate programs. In order to achieve greater administrative efficiency, the CDBG Public Services funds are allocated to one program. As in the past, the 2013 CDBG Plan fully allocates the maximum amount of funding for public services allowed \$26,500 (the balance of their \$95,708 in funding is from the City's General Fund) to the Shoreline/Lake Forest Park Senior Center.

RECOMMENDATION

Staff recommends that Council hold a public hearing on the 2013-2014 Human Services Funding Plan and following the hearing authorize the City Manager to enter into agreements for implementing the funded projects.

ATTACHMENTS

Attachment A: 2013 CDBG Funding and Contingency Plan
Attachment B: 2013-2014 Human Services Allocation Plan
Attachment C: 2013 New Human Service Applications Not Funded
Attachment D: Description of Human Services Currently Funded
Attachment E: Staff Recommendations for Capital Projects

ATTACHMENT A
2013 CDBG FUNDING AND CONTINGENCY PLAN

2013 CDBG Funding	2013
Public Services	
The Housing Stability Project	13,250
City Defined Agency Funding (Shoreline/LFP Senior Center)	26,500
King County Major Home Repair	66,250
Major Home Repair Repaid Loan Funds (estimate)	25,000
Capital Projects	
Minor Home Repair – Senior Services	85,700
Foundation for the Challenged	15,000
Capital Project Administration	5,300
Program Administration and Planning	
King County	26,500
City of Shoreline	26,500
Total Estimated CDBG Funding *	\$290,0000

2013 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 2013, 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 2013, these funds will be provided to the Minor Home Repair Program.

c. **Planning & Administration**

If additional CDBG Planning & Administration funds become available to the City in 2013, the City will use these funds for planning and administration purposes.

2. If funding reductions are necessary:

a. **Public Services:**

In the event CDBG Public Service Funds are reduced in 2013, the funding to all projects in the competitive portion of the Human Services Funding Plan will be reduced by the percentage of the decrease in overall funds.

b. **Capital Projects.** In the event the City's 2013 CDBG Capital Funds are reduced, the first \$9,000 will be deducted from the Minor Home Repair program. If reductions are in excess of \$9,000, Minor Home Repair and Foundation for the Challenged will each be reduced by the percentage decrease in overall funds over and above the first \$9,000..

c. **Planning & Administration.** If a reduction is necessary in CDBG Planning & Administration funds in 2013, it is recommended that the City reduce the amount to be used for planning and administration purposes.

ATTACHMENT B

2013-2014 Human Services Spending Plan			
	2012	2013	2013
Competitive Applications	Awarded	Requested	Recommended
Catholic Community Services/ Volunteer Chore	3,728	5,000	3,728
Child Care Resources /Resource and Referral	4,958	5,585	4,958
Children's Response Center	5,082	5,082	5,082
CHS-Counseling Programs	47,722	70,639	58,722
CHS-Shoreline and Ballinger Homes Family Support	63,042	80,000	63,042
CHS-Substance Abuse*	11,000	0	0
Health Point – Medical	4,958	5,000	4,958
Crisis Clinic/ 24 –Hour Crisis Line	3,830	4,000	3,830
Crisis Clinic/2-1-1 Community Info Line	3,470	4,000	3,470
Crisis Clinic/Teen Link	4,958	5,000	4,958
Food Lifeline	5,000	5,000	5,000
FOY Healthy Start	9,876	9,876	9,876
Compass Housing Alliance/Homestep	4,598	4,598	4,598
Hopelink/ Adult Education	3,000	8,000	3,000
Hopelink/ Emer.Shelter & Trans. Housing	7,208	7,600	7,208
Hopelink/ Family Development Program	7,500	8,000	7,500
Hopelink Food Program**	4,958	16,855	16,867
Hopelink Emergency Services	23,798	11,895	11,889
KSARC/Comp. Sexual Assault Service	5,206	5,362	5,206
Senior Services – Community Dining	2,975	4,000	2,975
Senior Services – Meals On Wheels	4,958	5,107	4,958
Senior Services – Shoreline/LFP Sr Center	95,708	95,708	95,708
Senior Services – Volunteer Transportation	3,728	9,945	3,728
Wonderland Development Center	4,958	6,000	4,958
Refugee Women's Alliance	9,762	10,000	9,762
	345,981	392,252	345,981
Non-Competitive Contracts			
Hopelink Emergency Services -Utilities			25,000
New Beginnings Domestic Violence Svc			26,605
2% Liquor Profits and Taxes			11,917
Total			409,503
*Combined with Counseling			
** In 2013 all food assistance now one program			

<p align="center">ATTACHMENT C NEW HUMAN SERVICES APPLICATIONS NOT FUNDED</p>
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Applicant	Program	Amount
Bridge Ministries	Guardianship for indigent DD Clients	3,000
Pediatric Interim Care	Short Term Sub-Acute Care of infants born with drug addiction	2,500
BAS Foundation	Home Delivered Meals	2,500
Emergency Feeding Program	Emergency Feeding Bags distributed through community organizations	1,500
Absolute Ministries Discipleship and Housing	Transitional housing for persons recovering from substance abuse	1,500
Health Point Dental	Dental Services	5,000
Bridge Ministries	Mobility	3,000
	Total	\$19,000

<p align="center">ATTACHMENT D</p> <p align="center">HUMAN SERVICE ALLOCATIONS BY HUMAN SERVICE PLAN CATEGORIES</p>

Basic Needs

CHS Family Support Center	63,042
Home Step (housing)	4,598
Hopelink Family Support Program	7,500
Hopelink Emergency Shelter (Kenmore)	7,208
Hopelink Emergency Services	23,798
Hopelink Emergency Feeding Services	4,958
Hopelink Adult Education	3,000
Hopelink Emergency Services - Utilities	25,000
Health Point Medical Clinic	4,958
Food Lifeline	5,000
	149,062

Older Adults

Volunteer Chore	3,728
Community Dining	2,975
Meals on Wheels	4,958
Senior Center	95,708
Volunteer Transportation	3,728
	111,097

Immigrants and Refugees

ReWA	9,762
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Raising Young Children

Healthy Start	9,876
Child Care Resource and Referral	4,958
Wonderland	4,958
	19,792

Barriers to Service

Crisis Clinic, 24 hr Crisis Line	3,830
2-1-1.	3,470
	7,300

Youth and Young Adults

Teen Link	4,958
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Other Services

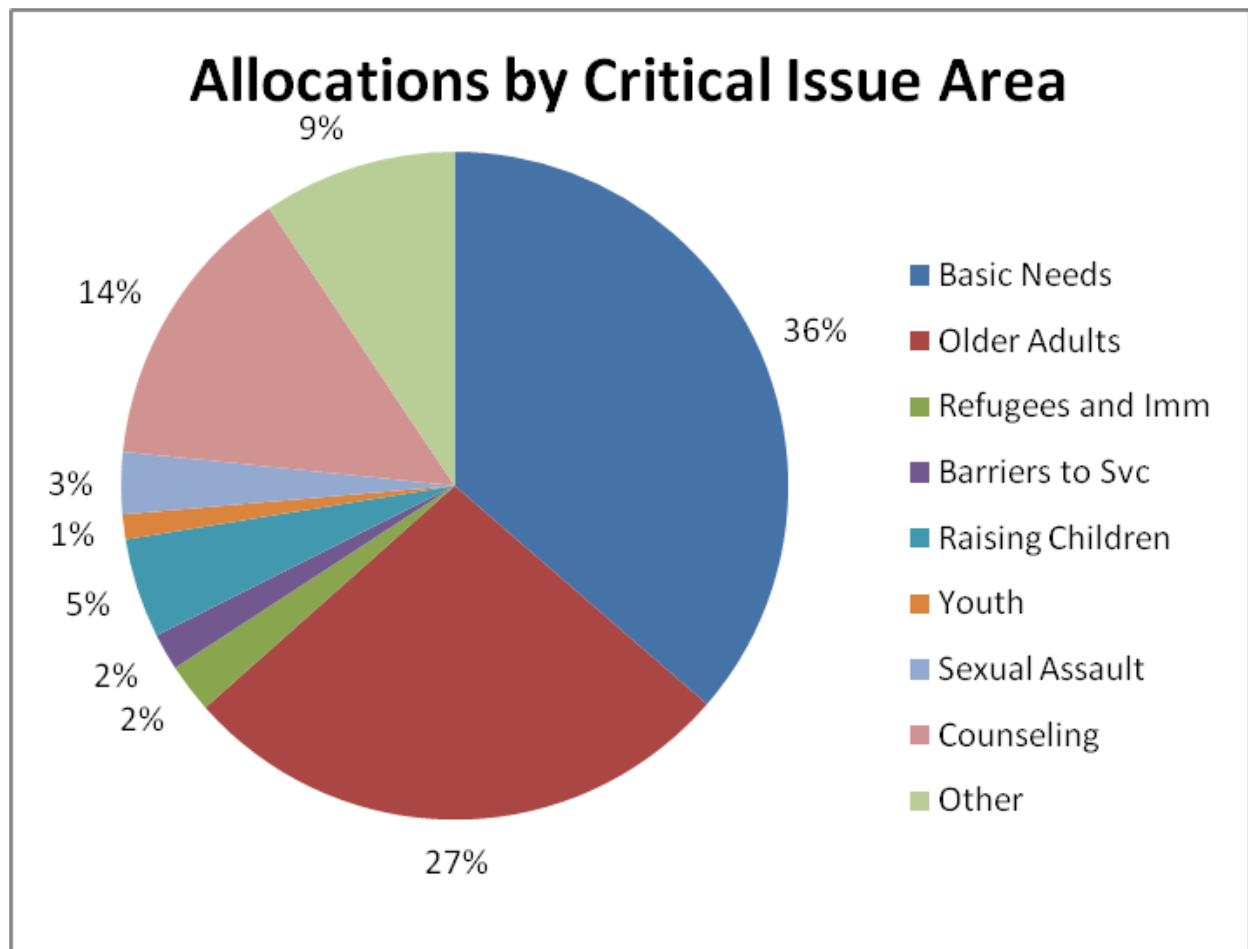
New Beginnings - DV Services	26,605
2% liquor Profits and Taxes	11,917
CHS Counseling Programs	58,722
	97,244

Victims of Sexual Abuse

Comprehensive Sexual Assault Svc	5,206
Children's Response Center	5,082

Subtotal	10,288
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Grand Total	409,503
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APPENDIX E STAFF RECOMMENDATIONS

A staff review committee consisting of CSD Manager, Budget Analyst and Human Services Planner met and reviewed the five capital applications using six criteria and a 100 point scale. The six criteria were:

- Local need
- Accessibility
- Consistency with City plans and policies
- Collaboration
- Feasibility
- Funding

Based on that review the five applications scored as follows:

Project	Amount Requested	Score
Minor Home Repair	92,000	276
Curb Ramps Sidewalk Repair	35,000	275
Foundation for the Challenged	30,000	245
K.C. Housing Fan Replacement	33,000	214
Provail TBI Center	35,000	213

The Minor Home Repair Program and City Curbs and Ramps projects scored the highest followed by the foundation for the challenged developmental disability housing project.

Minor Home Repair (276 Points) is a well received and well used program that helps maintain the city's housing stock, allows elderly and disabled to maintain their homes and promotes aging in place through the completion of accessibility modifications such as railings and grab bars. The program has conducted outreach to minority communities and this is reflected in the diversity of residents served. This project is recommended for \$85,000. .

Foundation for the Challenged (245 Points) initially proposed to acquire and rehab two single family houses and to provide housing for 7 Shoreline residents with disabilities and requested a total of \$30,000. After the application was submitted, FFC notified the City that it would only pursue development of one house serving 3-4 residents in Shoreline. They will locate the other facility in a different community. Accordingly they indicated that they were now applying for \$15,000. The other funders for this project are the State of Washington and King County Housing Finance Program which will all make their funding decisions in the fall. The project is consistent with the City Comprehensive Plan and Housing Strategy. The highest need for housing is for people with incomes under 30% of median, the group this project will serve. The projects will be located in Shoreline. This project is recommended for full funding of \$15,000.

Curb ramp and sidewalk repair program (275 Points) is a Council priority and would serve more residents than any other project up to 4,000 residents would benefit. Funding for this project would be held over until the 2014 construction season and if possible combined with other sidewalk work in order to produce a project of sufficient size and scope.

King County Housing, Ballinger Homes Fan Retrofit (214 Points) this project would serve 250-300 residents, however, staff determined that this project would go forward regardless of city funding. King County Housing Authority is a valued partner in meeting the affordable housing

needs of the community and the City has funded three KCHA projects in the past for life safety upgrades at Shoreline properties.

Provail TBI Center (213 Points) has secured a location in North Seattle. The City's allocation to the TBI Center in 2012 was based on the Center's serving Shoreline residents by virtue of its location in Shoreline. Ultimately Provail found a location in North Seattle which is reasonably accessible to Shoreline. This met the condition of Shoreline's 2012 funding. However, the agency's second year application received lower scores because it did not identify any Shoreline residents that would be served from the North Seattle site. While the City allocated CDBG funds to this project for 2012, for County and HUD purposes any additional funding in 2013 would be treated as a wholly separate contract. New funding cannot simply be added to the current year's project. Staff recommended no further investment in the TBI Center, beyond the \$31,293 funded during the last round.