

CITY COUNCIL AGENDA ITEM

CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Approval of the Second Year of the 2013-2014 Human Services Funding Plan and the Proposed Use of 2014 Capital Community Development Block Grant funds. Authorizing the City Manager to Execute 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: The City of Shoreline contracts with a number of human service agencies to deliver services to Shoreline residents. To fund these services the City allocates both General Fund and Community Development Block Grant (CDBG) funds. The City's biennial Human Services Allocation Plan specifies how this will be done. The City Manager recommends an allocation of \$349,605 of General Funds, \$307,048 of CDBG funds, and \$26,819 of state shared revenues for 2014. 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.

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

1. Council could approve the second year of the 2013-14 Biennial Human Services Funding Plan for services and 2014 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 \$349,605 of General Funds, \$307,048 in CDBG funds (subject to final federal appropriations, which includes \$42,053 of CDBG Program income), and \$26,819 of State shared revenues for 2014.

RECOMMENDATION

After holding a public hearing, staff recommends that Council adopt the second year of the 2013-14 Human Services Funding Plan including the specific 2014 CDBG Funding and Contingency Plan in accordance with Attachment A, 2014 Community Development Block Grant Funding and Contingency Plan and Attachment B, 2013-2014 Human Service Funding Plan and Attachment D, Recommended Capital Projects and authorize the City Manager to execute agreements for implementing the funded projects.

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

INTRODUCTION

The City financially supports Human Services delivery by non-profit agencies using General Fund and CDBG 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 and administration, housing repair, public services and capital projects.

BACKGROUND

Biannual Human Services Funding Plan

Biennially the City develops a Human Services Funding Plan to specify how it will allocate funds to address residents' human services needs. The current plan, adopted in 2012, funds twenty-six separate programs serving an estimated 4,700 Shoreline residents annually. See Attachment B for a list of agencies and the amounts of funding allocated to each agency in 2013.

All activities are targeted to address the needs of low and moderate income households and individuals. The plan is funded with a combination of federal, state, and local revenues. Local general funds account for \$349,605 of the funding plan and federal CDBG revenues account for \$307,048. State shared revenues equal \$26,819 (which includes an estimated \$17,276 in domestic violence criminal justice funds and \$9,543 in the 2% Distribution of Liquor Board Profits). Federal regulations require 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 2014 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, 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% (\$51,550 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 residents and to program planning and administration of the grant funding. King County has requested that the City recommend funding for individual 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.

The total amount of new CDBG funding that is available to support services to Shoreline residents in 2014 is projected to be \$264,995. In addition the City will receive \$42,053 in CDBG program income for 2014. The CDBG Inter-local Agreement between King County and the City of Shoreline specifies the percentages of funding for regional projects. The City uses the maximum allowable (10%) to support direct services or \$30,705 and the balance of 38% or \$116,678 for capital projects. The following chart specifies how the full amount of CDBG revenue is allocated.

2014 Estimated CDBG Funding Totals by Source	2014
Share of 2014 Entitlement Grant Allocation	264,995
Program Income** (Estimate)	42,053
Total CDBG Revenue	307,048
Public Services	
King County Housing Stability Project (5%)	15,352
Human Service Agency Funding (10%)	30,705
King County Major Home Repair (25%)*	76,762
Capital projects	
Shoreline Capital Projects	116,678
King County Capital Project Administration (2%)*	6,141
Program Administration and Planning	
King County (10%)*	30,705
City of Shoreline (10%)*	30,705
Total CDBG Revenue	\$307,048

*Percentage set in the Interlocal Agreement.

**Fluctuates depending on loan repayments each year

DISCUSSION

2013-2014 Human Service Allocation Process

The City allocates most funding for Human Services through a biennial competitive application process. The current 2013- 2014 Human Services Funding Plan was adopted in the fall of 2012. The proposed 2014 Human Services Funding Plan is contingent on adoption of the City's annual budget and on federal Congressional appropriations. Continued funding in 2014 is also contingent on each 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 B for a list of human service programs funded with CDBG and general funds in 2013. The amounts for all projects recommended for funding in the second year of the 2013-14 spending plan are listed in Attachment B. The Capital Projects recommended for funding by the Ad-hoc Allocation Committee are shown in Attachment D.

2014 CDBG Capital Allocation Process

An Ad-hoc Human Services Allocation Committee was appointed by the City Manager consisting of six people who live or work in Shoreline. The Committee met twice to review the two applications submitted. Each member completed a scoring sheet on each application and reached its decisions via consensus. The Committee's recommendations were forwarded to the City Manager for her consideration. She concurs and forwards these to the City Council.

Projects Recommended for Capital Funding

The Ad-hoc Allocation Committee was given a budget of \$116,678 to allocate and recommended two projects (only two were submitted) for funding. A description of each is below. The Allocation Committee was informed that the HUD allocation formula inputs had changed as a result of updated demographic information, resulting in an additional \$10,700. The Committee recommended that the small amount of additional funds be given to the Minor Home Repair Program so that more households could be served.

Minor Home Repair: \$86,678

This program fills the gap between the major home repair program - targeted to larger planned projects and 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 2012 the program completed 162 repairs at 55 different residences.

The Minor Home Repair program is targeted to income eligible residents and most are older adults and are in households with "very-low" incomes. 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 is in high demand. The program is contracted to Senior Services of Seattle/King County and there is no other non-City funding source for this program.

Provail: \$30,000

The applicant proposes to construct a 12-bed residential facility at 1548 NE 175th Street to be licensed as a Boarding Home to support 12 very low-income individuals with traumatic brain injury including set aside beds for four veterans. Total project cost is \$2,133,979 to be funded by a Washington State Housing Trust Fund grant of \$1,383,979 (already approved) and a pending grant to the King County Housing Finance Program for \$700,000 and \$20,000 of applicant funds. This project will replicate a program the applicant operates in Auburn.

Local Delivery of Regional Programs

Shoreline's Interlocal 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 Agreement.

The Housing Stability Project: \$15,352: 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: \$76,762: 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 Interlocal Agreement 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 2012, the program funded 7 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.

2014 Public Services

Allocate Maximum to Public Services: \$30,705: The overall 2013- 2014 Human Services Funding Plan, see Attachment B, provides funding to 24 separate programs. In order to achieve greater administrative efficiency, the CDBG Public Services funds are allocated to one program. As in the past, the 2014 CDBG Plan fully allocates the maximum amount of funding for public services allowed \$30,705 (the balance of their \$95,708 in funding is from the City's General Fund) to the Shoreline/Lake Forest Park Senior Center.

RECOMMENDATION

After holding a public hearing, staff recommends that Council adopt the second year of the 2013-14 Human Services Funding Plan including the specific 2014 CDBG Funding and Contingency Plan in accordance with Attachment A, 2014 Community Development Block Grant Funding and Contingency Plan and Attachment B, 2013-2014 Human Service Funding Plan and Attachment D, Recommended Capital Projects and authorize the City Manager to execute agreements for implementing the funded projects.

ATTACHMENTS

Attachment A: 2014 CDBG Funding and Contingency Plan

Attachment B: 2013-2014 Human Services Allocation Plan

Attachment C: 2013-14 Human Services Allocation by Critical Issue Categories

Attachment D: Ad-hoc Allocations Committee Capital Projects Recommendations

<p style="text-align: center;">ATTACHMENT A 2014 CDBG FUNDING AND CONTINGENCY PLAN</p>
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Since the CDBG funds for 2014 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 2014, 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 2014, 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 2014, 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 2014, 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 2014 CDBG Capital Funds are reduced, Minor Home Repair will be held harmless and cuts will be made to the Provail project.

c. **Planning & Administration.** If a reduction is necessary in CDBG Planning & Administration funds in 2014, 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			
	2013	2014	
Competitive Applications	As Implemented	Recommended	
Catholic Community Services/ Volunteer Chore	\$ 3,728	\$ 3,728	
Child Care Resources /Resource and Referral	\$ 4,958	\$ 4,958	
Children's Response Center	\$ 5,082	\$ 5,082	
CHS-Counseling Programs	\$ 58,722	\$ 58,722	
CHS-Shoreline and Ballinger Homes Family Support	\$ 63,042	\$ 63,042	
CHS-Substance Abuse*	\$ -	\$ -	
Health Point – Medical	\$ 4,958	\$ 4,958	
Crisis Clinic/ 24 –Hour Crisis Line	\$ 3,830	\$ 3,830	
Crisis Clinic/2-1-1 Community Info Line	\$ 3,470	\$ 3,470	
Crisis Clinic/Teen Link	\$ 4,958	\$ 4,958	
Food Lifeline	\$ 5,000	\$ 5,000	
FOY Healthy Start	\$ 9,876	\$ 9,876	
Compass Housing Alliance/Homestep	\$ 4,598	\$ 4,598	
Hopelink/ Adult Education	\$ 3,000	\$ 3,000	
Hopelink/ Emer.Shelter & Trans. Housing	\$ 7,208	\$ 7,208	
Hopelink/ Family Development Program	\$ 7,500	\$ 7,500	
Hopelink Food Program**	\$ 16,867	\$ 16,867	
Hopelink Emergency Services	\$ 11,889	\$ 11,889	
KSARC/Comp. Sexual Assault Service	\$ 5,206	\$ 5,206	
Senior Services – Community Dining	\$ 2,975	\$ 2,975	
Senior Services – Meals On Wheels	\$ 4,958	\$ 4,958	
Senior Services – Shoreline/LFP Sr Center	\$ 95,708	\$ 95,708	
Senior Services – Volunteer Transportation	\$ 3,728	\$ 3,728	
Wonderland Development Center	\$ 4,958	\$ 4,958	
Refugee Women's Alliance	\$ 9,762	\$ 9,762	
Total Competitive Contracts	\$ 345,981	\$ 345,981	
Non-Competitive Contracts			
Hopelink Emergency Services -Utilities	\$ 25,000	\$ 25,000	
New Beginnings Domestic Violence Svc	\$ 26,605	\$ 26,605	
2% Liquor Profits and Taxes	\$ 10,452	\$ 9,543	
Total - All Contracts	\$ 408,038	\$ 407,129	

<p align="center">ATTACHMENT C</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

Refugee Women's Alliance	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

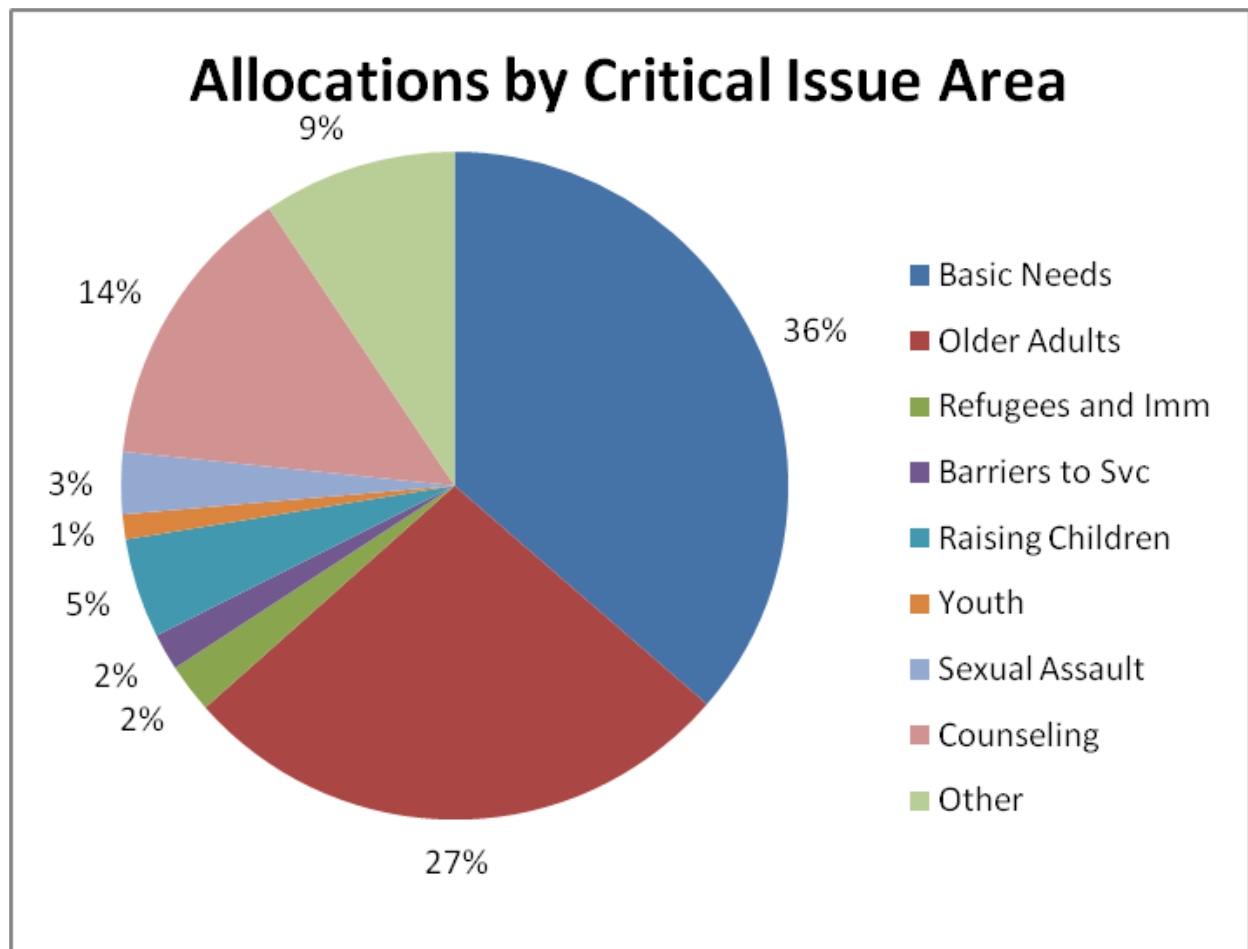
New Beginnings - DV Services	26,605
2% liquor Profits and Taxes	9,543
CHS Counseling Programs	58,722
	94,870

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	\$407,129
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<p style="text-align: center;">APPENDIX D AD-HOC ALLOCATION COMMITTEE CAPITAL PROJECTS RECOMMENDATIONS</p>
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An ad-hoc Allocation Committee was appointed by the City Manager to review and recommend funding for the capital projects submitted. The Committee consisted of the individuals below all of whom live in Shoreline.

Eddie Loyer Nelson, retired DSHS social worker with a specialty in child welfare services for native Americans.

Ron Greeley, mental health counselor

Suni Tolton, Senior Grants Specialist, City of Seattle

Kristina Fordice, Mgr. Clinical Systems, Quality Compliance, Group Health Cooperative

Ruben Rivera-Jackman, Resident Services Manager, King County Housing Authority

Malcolm Brown, Pastor, Bethesda Lutheran Church

Committee Members rated each application using a uniform scoring sheet. In addition to the paper scoring, each applicant was invited to present their program to the committee and members were able to ask questions about each of the programs. The Committee recommended that each project be funded at the amount requested, except that additional funding, resulting from a change in the HUD allocation formula, be given to the Minor Home Repair Program to increase the number of households served.

Capital Projects recommended to be funded in 2014 include:

1. Minor Home Repair, \$86,678, scattered sites, providing minor carpentry, electrical, plumbing and home safety modifications to income eligible residents. The applicant is Senior Services.
2. Traumatic Brain Injury Residential Center, \$30,000 for construction of a 12 bed residential center serving people with traumatic brain injury, located at 1548 NE 175th Street, Shoreline, WA 98155. The applicant is Provail.

The Committee also made the finding that while HUD regulations treat the Minor Home Repair program as a “capital project”, in the same category as a bricks and mortar project, residents who use the program perceive it as a service and the program is administered as a service. The Committee also noted the strong community acceptance of this program and recommended the Minor Home Repair Program be funded on-going.