

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Approval of the 2015 Human Services and Community Development Block Grant Funding and Contingency Plan and the Proposed Use of 2015 Capital Community Development Block Grant Funds and Authorization for 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
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input checked="" type="checkbox"/> Public Hearing

PROBLEM/ISSUE STATEMENT:

Every other year the City reviews its Human Services Allocations and develops a two-year funding plan. The City of Shoreline contracts with 15 human service agencies to deliver 25 service programs to Shoreline residents. To fund these services the City allocates both City General Fund dollars and federal Community Development Block Grant (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.

After holding the required public hearing on the proposed 2015-2016 Human Services Funding Plan, Council has two alternatives to consider:

1. Approve the 2015-2016 Biennial Human Services Funding Plan and the CDBG Funding Plan as recommended and authorize the City Manager to take the actions necessary to implement these spending objectives, which is recommended by staff, or
2. Amend the recommended spending plan in response to public testimony or to reflect a change in Council policy objectives.

FINANCIAL IMPACT:

The Human Services Spending Plan anticipates that the City of Shoreline will have \$315,953 of General Funds and \$300,281 in CDBG funds (subject to final federal appropriations) to allocate in 2015.

RECOMMENDATION

Staff recommends that Council hold a public hearing regarding the use of 2015 CDBG funding and move to adopt the biennial 2015 Human Services and CDBG Funding and Contingency Plan in accordance with Attachment A and authorize the City Manager to execute agreements for implementing the funded projects.

Approved By: City Manager ***DT*** City Attorney ***J A-T***

BACKGROUND

The City financially supports human services delivery by non-profit agencies using the City's General Fund and federal Community Development Block Grant (CDBG) funds. Each year, the Council must hold a public hearing on the proposed use of CDBG funds and take action to adopt the allocation. CDBG funding is typically used for planning and administration, housing repair, public services and capital projects.

Biannually (every two years), the City develops a Human Services Funding Plan to specify how it will allocate competitive grant funds to address residents' human services needs. The current plan (for years 2013-2014), which was adopted in 2012, funds 25 separate programs serving an estimated 4,700 Shoreline residents annually. All activities are targeted to address the needs of low and moderate income households and individuals.

DISCUSSION

The proposed 2015 Human Services Funding Plan is contingent on adoption of the City's annual budget and on federal Congressional appropriations and on each funded agency's satisfactory performance. The Plan is funded with a combination of federal and local revenues. The City's General Fund accounts for \$315,953 of the funding plan and federal CDBG revenues account for \$300,281. In addition, State pass-through revenue from domestic violence criminal justice funds and liquor profits are used to support domestic violence and alcohol treatment programs. The 2015 Human Services Plan is attached to this staff report as Attachment A.

2015 Human Service Agency Allocations

Attachment B to this staff report lists the funded agencies and the amounts of funding allocated to each agency recommended for 2015. There is a total of \$345,981 available through the competitive allocation process. This amount includes \$315,953 of City General Fund dollars and \$30,028 in CDBG funds. Attachment C to this staff report identifies this funding allocation by Human Service Plan Categories.

In fairness to agencies that applied for funding, the City's notice of funding made it clear that at this time, staff was projecting a flat budget and with all of the currently funded agencies performing satisfactorily, there was little opportunity for funding shifts, increases to already funded agencies, or for new agencies to be competitive. Even so, 25 repeat agency applications and eight (8) new applications were received, which totaled \$453,168 from the competitive process.

Attachment D to this staff report provides the listing of the eight applications that are not recommending for funding at this time. Additionally, one agency that has been funded previously, the Refugee Women's Alliance (REWA), chose not to reapply for their employment program. As well, an existing applicant, Hopelink, submitted a new application for employment assistance that will include refugees plus a wider group seeking help finding employment. Staff recommends that the funding amount of \$9,762, awarded previously to REWA, be allocated to the Hopelink Employment

Program. The employment program will allow for additional synergies with Hopelink's Family Development and Adult Education Programs, both of which have a work focus.

Funding for the King County Sexual Assault Resource Center (KSARC) consolidates funding from the former Children's Response Center (CRC) a program of Harborview Medical Center. In September 2013, Harborview closed the CRC and KSARC picked up the advocacy and training services CRC provided. KSARC has agreed to a staff proposal to subcontract with Harborview to retain the counseling service portion of the services formerly provided by the CRC Program.

Community Development Block Grant Program

The federal CDBG Program was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the 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% (\$51,150 capped for a two person household) of the King County Area Median Income (KCAMI). 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. The balance of the CDBG funds (52%) are allocated to the delivery of regional programs which serve Shoreline residents and to program planning and administration of the grant funding. Regional programs include King County Housing Stability Program (5%) and the King County Major Home Repair Program (25%). Planning and administrative costs are agreed to be 10% for the City and 12% for the County.

2015 CDBG Allocation

The total amount of CDBG funding available to support services and capital projects in 2015 is projected to be \$300,281. This includes \$259,298, which is the City's share of the 2015 CDBG Entitlement Grant Allocation, and \$40,983 in CDBG program income.

As noted earlier, 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. An internal staff review was conducted this year of human service applications submitted. Since no new funding was available and existing agencies were meeting their performance goals,

an outside citizen review panel was not formed. The following chart specifies how the full amount of CDBG revenue is allocated:

2015 Estimated CDBG Funding Totals by Source	Amount
Share of 2015 Entitlement Grant Allocation	\$259,298
Program Income*	\$40,983
Total CDBG Revenue	\$300,281
2015 Estimated CDBG Allocation	Amount
Local Allocation - 48%	
CDBG Public Service Funds	
Human Service Agency Funding (10%)	\$30,028
CDBG Capital Projects	
Shoreline Capital Projects	\$114,107
Regional Allocation and Program Administration - 52%	
CDBG Regional Programs	
King County Housing Stability Program (5%)	\$15,014
King County Major Home Repair Program (25%)**	\$75,070
Program Administration and Planning	
King County Administration and Planning (10%)**	\$30,028
King County Capital Set Aside (2%)	\$6,006
City of Shoreline Administration and Planning (10%)**	\$30,028
Total CDBG Allocations	\$300,281

*Fluctuates depending on loan repayments each year

**Percentage set in the Inter-local Agreement

It should also be noted that there is some uncertainty about Shoreline's continued status as a CDBG entitlement City. Staff has been in contact with the City's lobbyist who indicates that this item is very much a priority for Senator Murray's office. Staff does not anticipate any final resolution of this issue until sometime in calendar 2015. Given Senator Murray's interest in the program and the general climate in Congress, there is a high likelihood that CDBG will be funded with little to no change next year. Should there be a major shift in CDBG revenues, staff will return to Council for further direction on sustaining those activities supported with CDBG funds.

2015 CDBG Public Service Funds

The 2015-2016 Human Services Agency Allocation provides funding for 25 service programs (see Attachment B). In order to achieve greater administrative efficiency, \$30,028 in CDBG Public Services funds, which equates to 10% of the City's CDBG funds, are all allocated to one program, the Shoreline/ Lake Forest Park Senior Center. The balance of the Senior Center's \$95,708 in funding (\$65,680) is from the City's General Fund.

2015 CDBG Capital Projects

As noted above, the City anticipates that there will be a total of \$114,107 of CDBG funding available for capital projects. Staff received three capital applications seeking a total of \$169,338 in support. A staff committee of three reviewed the capital applications using a set of previously developed criteria. In addition to the criteria, staff

relied on guidance given by the 2013 Ad-hoc Citizen Allocation Review Committee in evaluating the applications.

Two of the three capital applications are recommended for funding. The two applications that are recommended for funding are as follows:

- Minor Home Repair: \$56,107

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 2013, the program completed 137 repairs at 52 different residences.

The Minor Home Repair program is targeted to income eligible residents and most are older adults in households between 30% and 50% of area median income (under \$35,300 for two person household). 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.

Per the 2013-2014 CDBG contingency plan, \$30,000 in recaptured funds from the Provail TBI residential center were applied to the Minor Home Repair Program. This combined with new 2015 CDBG funding brings the total allocated to Minor Home Repair to \$86,107. Thus for 2015, the Minor Home Repair Program will effectively be funded at the same level as in 2013-2014.

- Compass Housing Alliance, Compass at Ronald Commons: \$58,000

As Council has heard previously, this project will build 60 units of housing affordable to those with incomes less than 60% (\$47,640 for a three person household) of area median income. Ronald Commons is a collaboration between Compass Housing Alliance, Hopelink and Ronald United Methodist Church. The site will also include a service center to deliver a variety of social services including a food bank. Ronald Methodist Church agreed to sell a portion of their property to Compass, under favorable conditions, allowing for site control, a prerequisite for future funding.

The capital application not recommend for funding is a request from the Center for Human Services (CHS) for \$30,060 to replace carpeting, vinyl flooring and restroom fixtures. The CHS request to the City was part of a \$92,500 project that also included a \$58,440 request to King County, which was ultimately not submitted. Since the application to the City was only a third of the funding needed, the project was determined to not be feasible with only Shoreline funding. CHS was encouraged to reapply for CDBG funding in subsequent years from King County and the City of Shoreline.

2015 CDBG 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 Agreement:

- **King County Housing Stability Program: \$15,014**
A key strategy towards preventing homelessness involves keeping families in their current housing. The Housing Stability Project 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.
- **King County Major Home Repair: \$75,070**
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 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 2013, the program funded 7 projects.

ALTERNATIVES

After holding the required public hearing on the proposed 2015 Human Services and CDBG Funding and Contingency Plan, Council has two alternatives to consider:

1. Approve the 2015-2016 Biennial Human Services Agency Allocation and the CDBG Funding Plan as recommended and authorize the City Manager to take the actions necessary to implement these spending objectives, which is recommended by staff, or
2. Amend the recommended spending plan in response to public testimony or to reflect a change in Council policy objectives.

FINANCIAL IMPACT

The Human Services Spending Plan anticipates that the City of Shoreline will have \$315,953 of General Funds and \$300,281 in CDBG funds (subject to final federal appropriations) to allocate in 2015.

RECOMMENDATION

Staff recommends that Council hold a public hearing regarding the use of 2015 CDBG funding and move to adopt the biennial 2015 Human Services and CDBG Funding and

Contingency Plan in accordance with Attachment A and authorize the City Manager to execute agreements for implementing the funded projects.

ATTACHMENTS

Attachment A: 2015 Human Services and CDBG Funding and Contingency Plan

Attachment B: 2015-2016 Human Service Agency Allocation

Attachment C: 2015-2016 Human Services Allocation by Plan Categories

Attachment D: Human Service Applications Not Recommended for Funding

2015 HUMAN SERVICES AND CDBG FUNDING AND CONTINGENCY PLAN

CDBG Spending Plan

Shoreline/ LFP Senior Center	30,028
Minor Home Repair	56,107
Ronald Commons	58,000
Program Admin and Planning	30,028
	\$182,163

Human Services Spending Plan (General Fund)

Funding for 15 agencies providing 25 service programs: \$315,953

Contingency Plan

Shoreline must adopt a contingency plan if the amount of federal funds available increases or decreases by up to 10% of the estimate. In addition, if an applicant later declines funds, the adoption of a contingency plan will expedite the process of reallocation.

1. If additional funding becomes available:

a. **Public Services**

In the event CDBG Public Service funds are increased in 2015, 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 emergency services.

b. **Capital Projects**

If additional CDBG Capital funds become available to the City in 2015, these funds will be allocated to the Ronald Commons Project.

c. **Planning & Administration**

If additional CDBG Planning & Administration funds become available to the City in 2015, 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 2015, 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 2015 CDBG Capital Funds are reduced cuts will be made as follows: the first \$8,000 of reductions will come from Ronald Commons and additional cuts will be proportionate between the two funded projects.
- c. **Planning & Administration.** If a reduction is necessary in CDBG Planning & Administration funds in 2015, it is recommended that the City reduce the amount to be used for planning and administration purposes.

2015 HUMAN SERVICE AGENCY ALLOCATIONS

Competitive Applications	2014 Awarded	2015 Requested	2015 Recommended
Catholic Community Services - Volunteer Chore	3,728	5,000	3,728
Child Care Resources - Resource and Referral	4,958	5,230	4,958
Children's Response Center (Harborview)*	5,082	2,795	0
Center for Human Services (CHS) - Counseling/Substance Abuse Programs	58,722	60,000	58,722
Center for Human Services (CHS) - Shoreline and Ballinger Homes Family Support	63,042	70,000	63,042
Health Point - Medical	4,958	5,000	4,958
Crisis Clinic - 24-Hour Crisis Line	3,830	5,000	3,830
Crisis Clinic - 2-1-1 Community Info Line	3,470	5,000	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	10,000	3,000
Hopelink - Emergency Shelter and Transitional Housing	7,208	7,750	7,208
Hopelink - Family Development Program	7,500	8,000	7,500
Hopelink - Food Program	16,867	17,695	16,867
Hopelink - Emergency Services	11,889	12,490	11,889
Hopelink - Employment	0	25,000	9,762
King County Sexual Assault Resource Center (KCSARC) - Comprehensive Sexual Assault Service	5,206	8,991	10,288
Senior Services - Community Dining	2,975	4,000	2,975
Senior Services - Meals On Wheels	4,958	5,454	4,958
Senior Services - Shoreline/LFP Senior Center (includes \$30,028 of CDBG Public Service Funds)	95,708	97,579	95,708
Senior Services - Volunteer Transportation	3,728	10,030	3,728
Wonderland Development Center	4,958	5,500	4,958
Refugee Women's Alliance (REWA)	9,762	0	0
Total	\$345,981	\$394,988	\$345,981

*Children's Response Center funding included in KCSARC funding

HUMAN SERVICE ALLOCATIONS BY HUMAN SERVICE PLAN CATEGORIES

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	11,889
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
	\$133,824

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

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

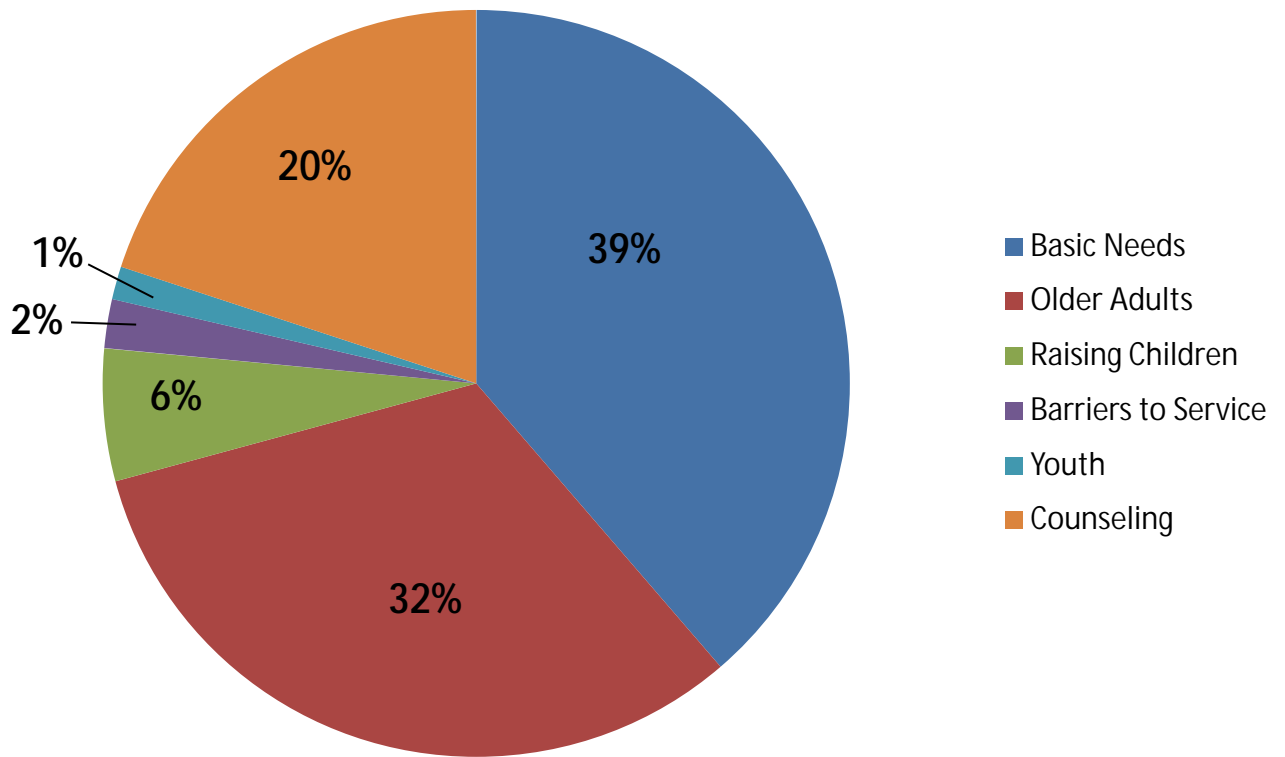
Teen Link	4,958
	\$4,958

Counseling

CHS Mental Health/Substance Abuse	58,722
King County Sexual Assault Resource Center	10,288
	\$69,090

Total Allocation	\$345,981
-------------------------	------------------

**Percent of Human Service Allocation by
Plan Categories**



Human Service Applications Not Recommended For Funding

Agency	Program Name	Request
Alpha Supported Living	Residential Services	8,000
Big Brothers Big Sisters	One to One Mentor	2,900
Catholic Community Services	Emergency Assistance	18,700
Eastern European Counseling Center	Immigrant Integration Project	1,410
Friends of Youth	Landing Center	1,200
Health Point Dental	Primary Dental Care	18,236
Olive Crest	Foster Care	13,970
Sophia Way East Side Shelter	Women's Shelter	3,000
Total		\$67,416