

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

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| AGENDA TITLE: | Public Hearing and Approval of the 2017 Human Services and Community Development Block Grant Funding and Contingency Plan and the 2017-18 Human Services Funding Plan 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 |
| 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 funding allocation and develops a new two-year Funding Plan. Shoreline’s funding for human services supports a system of local and regional services that together provide Shoreline residents with access to an array of services to enhance their well-being and to mitigate pressing needs. This plan specifies how the City will allocate 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 Funding Plan’s proposed use of CDBG funding each year.

In March of this year the City Council determined a new level of funding to support the City’s human services grants, and with this increased funding, provided policy direction to prioritize services focused on basic needs and counseling. These services both secure a foundation of support for the community and are key elements of the City’s response to homelessness.

After holding the required public hearing on the proposed 2017-2018 Human Services and CDBG Funding and Contingency Plan, Council has two alternatives to consider:

1. Approve the 2017-2018 Human Service Funding Plan and the 2017 CDBG Funding and Contingency 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 proposed Funding Plan in response to public testimony or to reflect a change in Council policy objectives.

FINANCIAL IMPACT:

The 2017-2018 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$290,000 to allocate for human services grants in 2017 and \$317,000 in 2018. For 2017, this includes City of Shoreline General Funds of \$261,052 and \$28,947 (or 10%) of the City’s estimated \$289,470 CDBG Entitlement funding for 2017.

The remaining CDBG Entitlement funding will be spent on capital, regional and administrative costs as shown in the 2017 CDBG Funding and Contingency Plan. The table below shows all human service funding, both CDBG and City of Shoreline General Funds, for 2017. The total funding spent on human services for 2017 will be \$550,523.

| 2017 Human Service Funding Categories | Funding Amount |
|--|-----------------------|
| City of Shoreline Human Service General Fund Funding | \$261,053 |
| CDBG Public Service Funding Allocation | \$28,947 |
| Total Human Services Funding Plan Allocation | \$290,000 |
| CDBG Capital Project Funding | \$124,472 |
| CDBG Regional Program Funding | \$72,368 |
| CDBG Administration and Planning Funding | \$63,683 |
| Total CDBG and General Fund Human Service Funding | \$550,523 |

RECOMMENDATION

Staff recommends that Council hold a public hearing regarding the use of 2017 Community Development Block Grant funding and move to adopt the proposed 2017-2018 Human Service Funding Plan, adopt the proposed CDBG Funding and Contingency Plan, and authorize the City Manager to execute agreements with the applicable agencies for the funded programs.

Approved By: City Manager ***DT*** City Attorney ***MK***

BACKGROUND

Shoreline's funding for human services supports a system of services, some local and some regional in scope, that together provide Shoreline residents with access to an array of services to enhance the community's well-being and to address individuals pressing needs. Every two years, the City develops a Human Services Funding Plan to specify how it will allocate competitive grant funds for this system. This year the City along with other suburban cities in King County, conducted a coordinated common-application process for agencies.

As well, in March of this year, the City Council provided direction to increase the level of General Funds allocated to address human service needs. This direction sets the level of funding for competitively allocated local dollars at 0.75% of net General Fund Revenues for 2017 and increases this by 0.05% each year until the base level of funding stands at 1.0% of net General Fund revenues. The staff report for this March discussion can be found at the following link:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport031416-9a.pdf>.

Based on current revenue projections, this will add approximately \$37,000 in 2017 and an additional \$27,000 in 2018. At the same time the Council directed that the City's ongoing support for the Shoreline-Lake Forest Park Senior Center's basic operations transfer from Human Services to Parks, Recreation and Cultural Services. This shift of \$95,700 will take effect in 2017 and is reflected in the funding levels in this allocation plan.

Also as part of this Human Services Funding Discussion in March, direction was provided that as General Fund funding increases, increasing emphasis should be placed on meeting basic needs and on supporting the availability of counseling services. These services both secure a foundation of support for the community and are key elements of the City's response to homelessness.

In addition to General Fund support, the City also uses a portion of its CDBG funds to support the Human Services Funding Plan. CDBG regulations set out a formal process to be used to provide adequate public notice and an opportunity for citizen comment and comment for those affected by the decisions on how to use these funds. Thus, the Council must hold a public hearing on the proposed use of CDBG funds and take action to adopt the allocation. There is a separate element, approval of the CDBG Funding and Contingency Plan, that is embodied in the recommendations and the final adoption of the 2017-2018 Human Services Funding Plan.

DISCUSSION

2017-2018 Human Service Agency Applications and Funding Plan

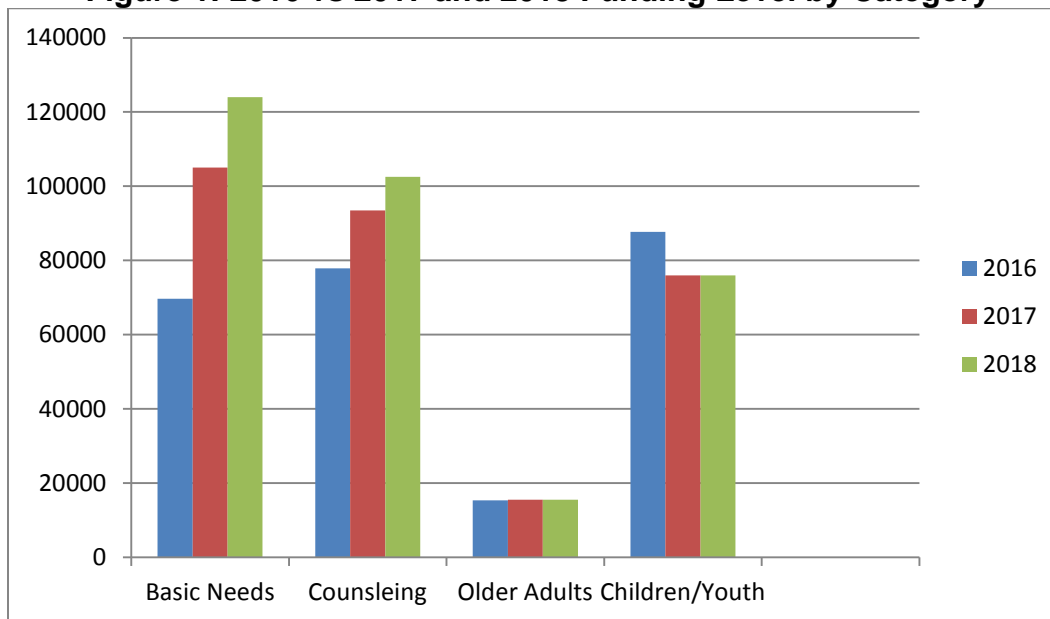
The City received 39 applications for programs, which requested a total of \$650,831 in funding. This set of applications included 20 existing programs and 19 new programs. Three (3) currently funded programs (Healthy Start, Food LifeLine, and Compass Housing Tenant Support) did not submit applications for this round.

All applications were read and reviewed by the Human Service Application Review Team, which was made up of City staff. This review included an overall assessment of the applicant agency and the program’s quality, proposed outcomes and an assessment of how the proposed services fit with Council’s human service priorities, and the overall goal of facilitating Shoreline residents’ access to services. The City Manager used Application Review Team’s analysis to develop the proposed 2017-2018 Human Service Funding Plan (Attachment A). The human service applications that were not recommended for funding by the Application Review Team are attached as Attachment B.

The Human Service Funding Plan is built around funding levels that assume that the City of Shoreline Property Tax Levy Lid Lift (Shoreline Proposition No. 1) is approved by Shoreline voters this fall. The revenue projections for the percentage of General Fund revenues that are available to support human services are subject to being updated.

The Human Service Funding Plan provides increased funding in the priority areas of Basic Needs and Counseling, as prioritized by Council, and maintains the City’s partnerships with agencies serving the array of needs in the community. The funding allocation for 2016 and proposed allocations for 2017 and 2018, by human service funding category, are noted in Figure 1 below:

Figure 1: 2016 vs 2017 and 2018 Funding Level by Category



For 2017, the proposed Human Service Funding Plan allocates \$37,000 in new funding and reallocates \$29,500 from previously funded programs to address the priorities of Basic Needs and Counseling. The reallocation includes:

- \$19,500 from the three programs not seeking funding for 2017-2018,
- \$5,000 that was supporting the Crisis Clinic’s Teen Link program, and
- \$5,000 that was supporting HealthPoint’s Primary Care clinic in Bothell.

The proposed Funding Plan also funds one new program: Winter Shelter at Prince of Peace Lutheran Church and other churches in the Lake City area of Seattle during the cold winter months.

All of the programs recommended for funding received at least a marginal increase from their requested funding level, while the most significant increases are in the funding category of Basic Needs. Funding for this category is proposed to increase from \$69,600 in 2016 to \$105,000 in 2017. The bulk of this funding increase, roughly \$30,000, supports programs provided by Hopelink through its six coordinated programs. In the Counseling funding category, the Center for Human Services will receive an additional \$17,236 to support their programs in 2017.

As implementation of the goal to achieve human services funding at 1.0% of net General Fund revenues was contingent upon passage of the Levy Lid Lift, the proposed Human Service Funding Plan includes funding allocations should the Levy not pass.

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% (\$55,450 for a two person household) of the King County Area Median Income (KCAMI). Specifically, 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 (53%) of the available revenues to local projects. The balance of the CDBG funds (47%) is allocated by formula in the Inter-local Agreement for the delivery of regional programs which serve Shoreline residents and to program planning and administration of the grant funding. Regional programs include the King County Housing Stability Program (5%) and the King County Major Home Repair Program (20%). Planning and administrative costs are agreed to be 10% for the City and 12% for the County.

2017 Community Development Block Grant Allocation

The total amount of CDBG funding available to support services and capital projects in 2017 is projected to be \$289,470, which is the City's share of the 2017 CDBG Entitlement Grant Allocation. Unlike prior years, King County is estimating that Shoreline will receive no additional program income from the repayment of home improvement loans for this year. They are however projecting a slight increase in the City's total grant amount. So there is essentially no net change from the 2016 grant.

Attachment C to this staff provides the CDBG Funding and Contingency Plan, which indicates the specific agencies and programs that are proposed to receive CDBG funding. Because these totals are estimates developed prior to the Congressional appropriation of the CDBG, staff plans for variance of +/- 10%. Changes greater than this amount will require further Council action. Attachment D to this staff report provides descriptions of the services that will be funded with the CDBG funding.

ALTERNATIVES

After holding the required public hearing on the proposed 2017-2018 Human Services and CDBG Funding and Contingency Plan, Council has two alternatives to consider:

1. Approve the 2017-2018 Human Service Funding Plan and the 2017 CDBG Funding and Contingency 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 proposed Funding Plan in response to public testimony or to reflect a change in Council policy objectives.

FINANCIAL IMPACT

The 2017-2018 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$290,000 to allocate for human services grants in 2017 and \$317,000 in 2018. For 2017, this includes City of Shoreline General Funds of \$261,052 and \$28,947 (or 10%) of the City's estimated \$289,470 CDBG Entitlement funding for 2017. The remaining CDBG Entitlement funding will be spent on capital, regional and administrative costs as shown in the 2017 CDBG Funding and Contingency Plan. The table below shows all human service funding, both CDBG and City of Shoreline General Funds, for 2017. The total funding spent on human services for 2017 will be \$550,523.

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| Total Human Services Funding Plan Allocation | \$290,000 |
| CDBG Capital Project Funding | \$124,472 |
| CDBG Regional Program Funding | \$72,368 |
| CDBG Administration and Planning Funding | \$63,683 |
| Total CDBG and General Fund Human Service Funding | \$550,523 |

RECOMMENDATION

Staff recommends that Council hold a public hearing regarding the use of 2017 Community Development Block Grant funding and move to adopt the proposed 2017-2018 Human Service Funding Plan, adopt the proposed CDBG Funding and Contingency Plan, and authorize the City Manager to execute agreements with the applicable agencies for the funded programs.

ATTACHMENTS

- Attachment A: 2017-2018 Human Service Funding Plan
- Attachment B: Human Service Applications Not Recommended for Funding
- Attachment C: 2017 CDBG Funding and Contingency Plan
- Attachment D: 2017 CDBG Public Service, Capital Projects and Regional Program Funding Descriptions

2017-18 Human Service Agency Allocations

Competitive Applications

| Agency/Program | 2016 Allocation | 2017/18 Requested | 2017 | 2018 | 2017/18 w/o Levy |
|---|--------------------|----------------------|------------------|------------------|---------------------|
| Catholic Community Service- Volunteer Chore Services | \$3,728 | \$5,000 | \$3,750 | \$3,750 | \$3,750 |
| Child Care Resources - Consumer Education & Quality Improvement | \$4,958 | \$5,230 | \$5,000 | \$5,000 | \$5,000 |
| Center for Human Services - Clinical Programs | \$58,722 | \$102,000 | \$74,000 | \$82,000 | \$63,000 |
| Center for Human Services - Family Support Centers | \$63,042 | \$80,000 | \$65,000 | \$65,000 | \$64,000 |
| Crisis Clinic - Crisis Line | \$3,830 | \$7,500 | \$6,500 | \$7,500 | \$6,000 |
| Crisis Clinic - King County 211 | \$3,470 | \$10,000 | \$9,000 | \$10,000 | \$9,800 |
| Harborview - Sexual Assault and Traumatic Stress Services | \$2,795 | \$72,000 | \$5,000 | \$5,000 | \$5,000 |
| Hopelink - Adult Education | \$3,000 | \$17,000 | \$3,000 | \$5,000 | \$3,000 |
| Hopelink - Emergency Food | \$16,861 | \$48,500 | \$23,000 | \$30,000 | \$22,100 |
| Hopelink - Emergency Services Financial Assistance | \$11,895 | \$50,000 | \$20,000 | \$23,000 | \$14,000 |
| Hopelink - Employment | \$9,762 | \$19,000 | \$10,000 | \$10,000 | \$10,000 |
| Hopelink - Family Development Program | \$7,500 | \$27,000 | \$10,000 | \$11,000 | \$7,500 |
| Hopelink - Housing | \$7,208 | \$20,000 | \$20,000 | \$20,000 | \$15,500 |
| King County Sexual Assault Resource Center | \$10,288 | \$7,793 | \$8,000 | \$8,000 | \$7,800 |
| Prince of Peace/Lake City Partners - Rotating Winter Shelter | \$0 | \$43,000 | \$10,000 | \$15,000 | \$0 |
| Sound Generations - Meals on Wheels | \$4,958 | \$5,603 | \$5,000 | \$5,000 | \$5,000 |
| Sound Generations - Volunteer Transportation | \$3,728 | \$10,010 | \$3,750 | \$3,750 | \$3,750 |
| Sound Generations Community Dining | \$2,975 | \$5,000 | \$3,000 | \$3,000 | \$3,000 |
| Wonderland Developmental Center | \$4,958 | \$6,000 | \$6,000 | \$5,000 | \$5,000 |
| Reallocated funds from 2016 funded programs | \$29,500 | | | | |
| Total | \$253,178 | \$540,636 | \$290,000 | \$317,000 | \$253,200 |

Human Service Applications Not Recommended For Funding

| Agency/Program Name | Request |
|--|-------------------|
| Alpha Supported Living Services | \$ 8,000 |
| Apprenticeship & Non-traditional Employment for Women (ANEW) | \$ 12,000 |
| Bridge Disability Ministries - Guardianship | \$ 19,000 |
| Bridge Disability Ministries -- Mobility | \$ 1,000 |
| Children\'s Home Society of WA - North Seattle Family Resource Center | \$ 18,546 |
| ChildStrive (formerly Little Red School House) Early Intervention Program | \$ 1,000 |
| Crisis Clinic - Teen Link | \$ 5,000 |
| Consejo Counseling and Referral Service - Domestic Violence Community Advocacy Program | \$ 2,000 |
| Domestic Abuse Women's Network - CAP | \$ 1,000 |
| Domestic Abuse Women's Network - Housing | \$ 6,000 |
| Eastern European Counseling Center (EECC) | \$ 1,685 |
| Eastside Baby Corner -- Meeting Basic Needs for Children | \$ 4,312 |
| HealthPoint - Primary Dental Care | \$ 5,000 |
| Health Point - Prinary Medical Care | \$ 4,598 |
| International Community Health Services - Dental | \$ 25,000 |
| Northshore Senior Center- Northshore Adult Day Health | \$ 5,000 |
| PROVAIL - Employment | \$ 7,694 |
| Renton Ecumenical Association of Churches - Center of Hope | \$ 3,000 |
| Solid Ground - Cooking Matters | \$ 7,500 |
| Vision House - Children, Youth and Family Advocacy | \$ 2,500 |
| Total | \$ 139,835 |

2017 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CONTINGENCY PLAN

Since the Community Development Block Grant (CDBG) funds for 2016 are an estimate from the federal government, Shoreline must adopt both a funding and 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.

| 2017 Estimated CDBG Funding Totals by Source | Amount |
|--|------------------|
| Share of 2017 Entitlement Grant Allocation | \$289,470 |
| Program Income* | \$0 |
| Total CDBG Revenue | \$289,470 |
| 2017 Estimated CDBG Allocation | |
| Local Allocation - 53% | |
| Hopelink – Emergency Food | \$17,141 |
| Hopelink – Emergency Housing | \$11,806 |
| CDBG Public Service Funds (<i>Funding Shown on Human Services Funding Plan</i>) | \$28,947 |
| CDBG Capital Projects | |
| Sound Generations – Minor Home Repair | \$124,472 |
| CDBG Capital Project Funding | \$124,472 |
| Regional Allocation and Program Administration - 47% | |
| King County Housing Stability Program (5%) | \$14,474 |
| King County Major Home Repair Program (20%)** | \$57,894 |
| CDBG Regional Program Funding | \$72,368 |
| King County Administration and Planning (10%)** | \$28,947 |
| King County Capital Set Aside (2%) | \$5,789 |
| City of Shoreline Administration and Planning (10%)** | \$28,947 |
| CDBG Administration and Planning Funding | \$63,683 |
| Total CDBG Allocations | \$289,470 |

*Fluctuates depending on loan repayments each year

**Percentage set in the Inter-local Agreement

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 become available in 2017, any additional revenue will be allocated to the Hopelink Emergency Food Program.
 - b. **Capital Projects**
If additional CDBG Capital funds become available in 2017, any additional revenue will be allocated to the Sound Generations Minor Home Repair Program.
 - c. **Planning & Administration**
If additional CDBG Planning and Administration funds become available in 2017, 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 2017, the revenue allocated to the Hopelink Emergency Food Program will be reduced.
 - b. **Capital Projects.**
In the event CDBG Capital funds are reduced in 2017, the Sound Generations Minor Home Repair Program will be reduced accordingly.
 - c. **Planning & Administration**
In the event CDBG Planning and Administration funds are reduced in 2017, the City will reduce the amount of revenue allocated to planning and administration purposes.

2017 Community Development Block Grant (CDBG) Public Service, Capital Projects and Regional Program Funding Descriptions

2017 CDBG Public Service Funds

\$28,947 in CDBG Public Services funds, which equates to 10% of the City's CDBG allocation, are all allocated to two programs:

- Hopelink Emergency Food Assistance: \$17,141, and
- Hopelink Housing: \$11,806.

2017 CDBG Capital Projects

The City anticipates that there will be a total of \$124,472 in CDBG funding available for capital projects. Staff received one capital application seeking \$125,000 in capital support. Staff recommends allocating the full amount of CDBG Capital funding to the Sound Generations Minor Home Repair Program.

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.

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 \$36,150 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 Sound Generations and there is no other non-City funding source for this program.

2017 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: \$14,474
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: \$57,894

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 20% 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. The program received seven (7) applications in the first quarter of 2016 alone.