

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Discussion on the 2019 Human Services and Community Development Block Grant Funding and Contingency Plan and the 2019-20 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 type="checkbox"/> Motion
	<input checked="" 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.

This funding package implements the Council's direction to increase funding for the Human Services Funding Plan yearly through 2022 and 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.

The 2019-2020 Human Services Funding Plan provides support to 22 programs projected to serve 2,200 residents with services that give them access to supports that address basic needs, provide mental health and counseling support, sustain older adults in the community and support healthy youth and family services.

After holding the required public hearing on the proposed 2019-2020 Human Services and CDBG Funding and Contingency Plan, Council has two alternatives to consider:

1. Approve the 2019-2020 Human Service Funding Plan and the 2019 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 2019-2020 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$757,931 to allocate for human services in 2019 and \$787,931 in 2020. For 2019, this includes \$371,000 of General Fund revenues, \$320,831 of Federal CDBG funds and \$66,100 in restricted/dedicated revenues. The table below shows all human service funding including General Fund and CDBG revenues for 2019-2020.

2019-20 Human Service Funding Categories	2019 Funding Amount est.	2020 Funding Amount, est.
Unrestricted General Fund Revenue	\$371,000	\$401,000
Restricted/Dedicated Revenue	\$66,100	\$66,100
Total General Fund	\$437,100	\$467,100
CDBG Capital Project Funding	\$153,998	\$153,998
CDBG Regional Program Funding (Home Repair and Homeless Response)	\$96,250	\$96,250
CDBG Administration and Planning Funding	\$70,583	\$70,583
Total CDBG	\$320,831	\$320,831
Total CDBG and General Fund Human Service Funding	\$757,931	\$787,931

RECOMMENDATION

Staff recommends that Council hold the public hearing regarding the use of the 2019 Community Development Block Grant funding and the 2019-2020 Human Service Plan. Staff further recommends that Council approve the 2019-2020 Human Service Plan, as scheduled, on August 6, 2018.

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. Through the competitive allocations process the City received 44 applications for programs, which requested a total of \$1,224,074 in funding.

The City Council set a goal of allocating 1.0% of Net General Fund revenues for competitively allocated human services by the year 2022. This results in a gradual increase each year between 2017 and 2022. The 2019 -2020 projections for allocation are set at .85% and .9% of Net General Fund Revenues. The staff report for this 2017 discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2016/staffreport031416-9a.pdf>.

As part of the Human Services Funding Discussion in 2017, 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. This direction is reinforced with the adoption of Council Goal 5 that has a specific work plan item to address the twin crisis of homelessness and opioid addition.

The City will allocate \$371,000 in 2019 and \$401,000 in 2020 to support services provided by agencies that submit applications through the competitive human services allocation process. The City also uses an additional \$66,100 of dedicated revenues in the General Fund to support services in the areas of substance abuse, domestic violence and utility assistance.

In addition to General Fund support, the City also uses revenue from its CDBG funds to support the Human Services. CDBG regulations set out a formal process to be used to provide adequate public notice and an opportunity for citizens and those affected by the decisions to comment on the City's proposed use of these funds. Thus, the Council must hold a public hearing on the proposed use of CDBG funds prior to taking action to adopt the allocation. There is a separate element, approval of the CDBG Funding and Contingency Plan.

DISCUSSION

2019-2020 Human Service Agency Applications and Funding Plan

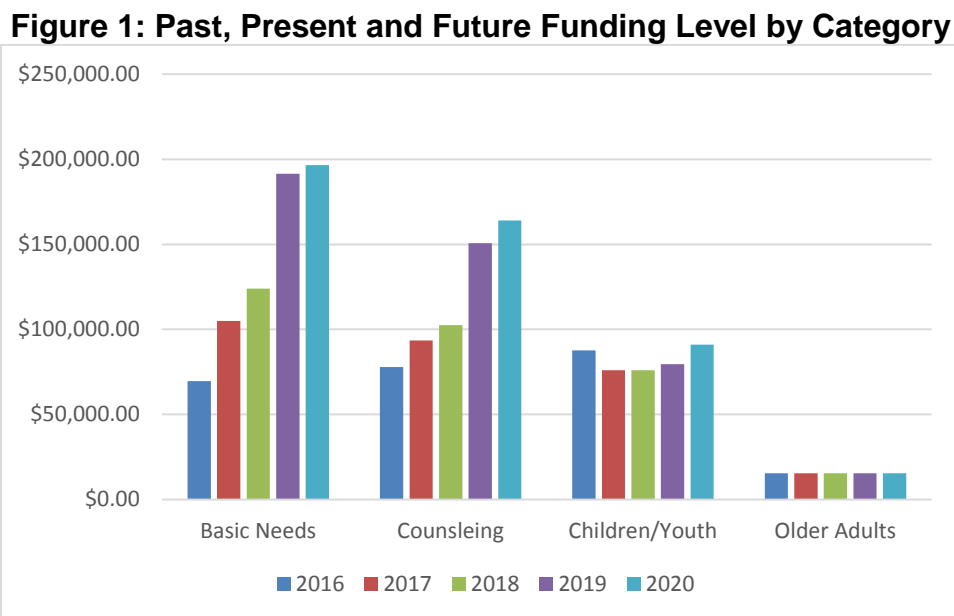
All applications were reviewed with an assessment of the applicant agency and the program's quality, the agency's capability to deliver the services, proposed outcomes, an assessment of how the proposed services fit with Council's human service priorities, and the overall goal of facilitating Shoreline residents' access to services. The City

Manager used this analysis to develop the proposed 2019-2020 Human Service Funding Plan (Attachment A).

In both applications and in contracts the agencies establish goals for the number of Shoreline residents served, the unit of services delivered and the outcomes of the services. These units are expressed in different ways depending on the service. For example, emergency food is reported as meals, housing is a bed night, counselling is an hour of contact with a therapist and 211 Information and referral is a phone call.

Because the City is not the majority funder of any given service, the contract goals are exceeded by the total services delivered in terms of people served and units of services delivered. For example, in 2017 Hopelink's Emergency Food Program contracted to provide 45,159 meals to 305 residents through services of the Food Bank funded by the City's allocation. The program in total provided 223,300 meals to 2,225 residents. Specifics for each program the City funded in 2017 are in Attachment B. Overall agencies were funded to serve 2,200 residents with 73,373 units of services. They actually saw 9,510 residents and provided 295,500 units of services.

The 2019-2020 Proposed Human Service Funding Plan provides increased funding in the priority areas of Basic Needs and Counseling and maintains the City's partnerships with agencies serving the array of needs in the community. The funding allocation from 2016 through 2020 human service funding category, are noted in Figure 1 below:



The major emphasis of new funding in this plan in 2019 addresses the issues of homelessness and substance use disorders for adults and children. Programs slated for an increase are the Emergency Food, Family Shelter, 211, and Adult Education. These increases are sustained in 2020 and joined by an increase in support to programming for children/youth. This emphasis will strengthen programming offered through the Center for Human Services aimed at early intervention and prevention.

The mainstay of City support for Older Adults occurs through the Parks Recreation and Cultural Service funding of the Shoreline Lake Forest Park Senior Center where \$92,000 is budgeted for general operations. To improve overall efficiency and focus within this category, funds were shifted from Volunteer Chore to the Congregate Meal and Volunteer Transpiration programs operated by Sound Generations with a base location at the Shoreline Center.

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% (\$64,200 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 (48%) of the available revenues to local projects. The balance of the CDBG funds (52%) 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 (25%). Planning and administrative costs are agreed to be 10% for the City and 12% for the County. In 2019 the City's total CDBG grant amount is estimated to be \$320,831 with Regional Programs receiving \$166,833 and local projects receiving \$153,998.

2019 Community Development Block Grant Allocation

The total amount of CDBG funding available to support Local Programs in 2019 is projected to be \$153,998, which is the City's share of the 2019 CDBG Entitlement Grant Allocation. King County is estimating that Shoreline will receive no additional program income from the repayment of home improvement loans for this year. The City is proposing to allocate all of these funds to programs supporting housing through two projects, the Minor Home Repair Program and Future Affordable Housing Development Support.

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 2019-2020 Human Services and CDBG Funding and Contingency Plan, Council has two alternatives to consider:

1. Approve the 2019-2020 Human Service Funding Plan and the 2019 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 2019-2020 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$757,931 to allocate for human services in 2019 and \$787,931 in 2020. For 2019, this includes \$371,000 of General Fund revenues, \$320,831 of Federal CDBG funds and \$66,100 in restricted/dedicated revenues. The table below shows all human service funding including General Fund and CDBG revenues for 2019-2020.

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Total CDBG	\$320,831	\$320,831
Total CDBG and General Fund Human Service Funding	\$757,931	\$787,931

RECOMMENDATION

Staff recommends that Council hold the public hearing regarding the use of the 2019 Community Development Block Grant funding and the 2019-2020 Human Service Plan. Staff further recommends that Council approve the 2019-2020 Human Service Plan, as scheduled, on August 6, 2018.

ATTACHMENTS

- Attachment A: 2019-2020 Human Service Funding Plan
- Attachment B: Agency Services Summary: Residents Served and Units of Service
- Attachment C: 2019 CDBG Funding and Contingency Plan
- Attachment D: 2019 CDBG Capital Projects and Regional Program Funding
Descriptions

ATTACHMENT A: 2019-2020 Human Service Funding Plan

Agency Name	Program Name	2019 Request	2018 Funded	2019 Proposed	2020 Proposed	Two Year Totals
Crisis Clinic	Crisis Line	\$ 10,000	\$ 7,500	\$ 7,500	\$ 7,500	\$15,000
Crisis Clinic	King County 2-1-1	\$ 12,500	\$ 10,000	\$ 12,000	\$ 12,000	\$24,000
Hopelink	Employment	\$ 20,000	\$ 10,000	\$ 10,000	\$ 10,000	\$20,000
Hopelink	Family Development	\$ 36,000	\$ 11,000	\$ 11,000	\$ 11,000	\$22,000
Hopelink	Family Housing: Shelter & Case Management	\$ 30,000	\$ 20,000	\$ 25,000	\$ 25,000	\$50,000
Hopelink	Adult Education	\$ 26,000	\$ 5,000	\$ 6,000	\$ 6,000	\$12,000
Hopelink	Financial Assistance Resiliency Program	\$ 67,000	\$ 25,000	\$ 25,000	\$ 27,000	\$52,000
Hopelink	Emergency Food	\$ 80,000	\$ 35,000	\$ 44,000	\$ 48,000	\$92,000
Lake City Partners Ending Homelessness	Winter Shelter	\$ 25,000	\$ 15,000	\$ 26,000	\$ 26,000	\$52,000
Harborview Medical Center	Harborview Center for Sexual Assault &	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$10,000
King County Sexual Assault Resource Center	Sexual assault advocacy services	\$ 8,880	\$ 8,000	\$ 8,000	\$ 8,000	\$16,000
Center for Human Services	Behaviorial Health	\$ 175,000	\$ 92,500	\$ 96,500	\$ 109,000	\$205,500
Center for Human Services (CHS)	Family Support Programs	\$ 90,000	\$ 68,500	\$ 68,500	\$ 80,000	\$148,500
Child Care Resources	Information & Referral /Technical Assistance	\$ 7,703	\$ 5,000	\$ 5,000	\$ 5,000	\$10,000
Wonderland Developmental Center	The Next Level	\$ 7,000	\$ 6,000	\$ 6,000	\$ 6,000	\$12,000
Sound Generations	Community Dining	\$ 10,000	\$ 3,000	\$ 6,500	\$ 6,500	\$13,000
Sound Generations	Meals on Wheels	\$ 8,246	\$ 5,000	\$ 5,000	\$ 5,000	\$10,000
Sound Generations	Volunteer Transportation Program	\$ 4,000	\$ 3,750	\$ 4,000	\$ 4,000	\$8,000
Totals for Competitive Allocation			\$ 335,250	\$ 371,000	\$ 401,000	\$772,000
Other Programs Supported/Fund Source						
Hopelink/City Utility Revenues (GF)	Utility assistance - Financial Resiliency		\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
Lake City Partners/Fity General Funds	Homeless Outreach Pilot		\$ 8,000			
CHS/State Shared Revenues	Behaviorial Health/Substance Use Treatment		\$ 14,500	\$ 14,500	\$ 14,500	\$ 29,000
New Beginnngs/State Shared Revenues	Domestic Violence Survivor Services		\$ 26,200	\$ 26,600	\$ 26,600	\$ 53,200
Other Programs - Totals			\$ 73,700	\$ 66,100	\$ 66,100	\$ 132,200
				\$ 437,100	\$ 467,100	\$ 904,200

	<u>2019</u>	<u>2020</u>
Basic Needs	\$ 191,500.00	\$ 196,500.00
Counseling/Behaviorial Helath	\$ 150,600.00	\$ 164,100.00
Children and Youth	\$ 79,500.00	\$ 91,000.00
Older Adults	\$ 15,500.00	\$ 15,500.00
	\$ 437,100.00	\$ 467,100.00

ATTACHEMNT B: Agency Services Summary: Residents Served and Units of Service

2017 Human Services Compleitive Summary of Services Agency/Program	# of Shoreline Residents		Unit of Service: Shoreline Annual Goal and # of Units		
	City Funded	Total Served	Description	Annual Goal	Actual
Catholic Community Service- Volunteer Chore Services	7	18	60 Minutes	329	881
Child Care Resources - Consumer Education & Quality Improvement	27	148	Phone Call	27	148
			60 minutes training	41	46
			60 minutes technical ass't.	11	14
Center for Human Services – Clinical Programs	311	311	60 minutes youth case mgmt.	1500	785
			60 minutes counseling	6700	6155
Center for Human Services - Family Support Centers	194	194	Early Learning Hours	2600	4652
			Youth Services Hours	9000	10,724
			Workshops/Classes 60 minute	200	136
Crisis Clinic - Crisis Line	722	3702	Phone Call	722	3702
Crisis Clinic - King County 211	385	1527	Phone Call	385	1527
Harborview - Sexual Assault and Traumatic Stress Services	8	69	Appointment	34	235
Hopelink - Adult Education	3	16	60 minutes Training	79	905
			60 minutes GED prep	26	2
Hopelink - Emergency Food	305	2225	Meal	45,159	223,299
Hopelink - Emergency Services Financial Assistance	142	411	Household		259
Hopelink - Employment	11	15	60 minutes training	48	76
Hopelink - Family Development Program	14	62	60 minutes case mgmt.	148	264
Hopelink – Housing	0	6	One bed night	0	1032
			60 minutes case mgmt.	0	42
King County Sexual Assault Resource Center	18	37	60 minutes advocacy	73	419
Prince of Peace/Lake City Partners - Rotating Winter Shelter	N/A	NA	One bed night	650	1093
			Meal	1125	2186
			60 minutes case mgmt.	20	46
Sound Generations - Meals on Wheels	6	61	Home Delivered Meal	1015	8797
Sound Generations - Volunteer Transportation	35	65	Miles Driven	2849	9215
			One Way Trips	224	833
Sound Generations Community Dining	11	334	Meals Served	375	12626
Wonderland Developmental Center	2	308	Treatment Hour	33	5336

2019 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CONTINGENCY PLAN

Since the Community Development Block Grant (CDBG) funds for 2019 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.

2019 Estimated CDBG Funding Totals by Source	Amount
Share of 2019 Entitlement Grant Allocation	\$320,831
Program Income*	\$0
Total CDBG Revenue	\$320,831
2019 Estimated CDBG Allocation	Amount
Local Allocation - 48%	
Sound Generations – Minor Home Repair	\$38,750
Housing Development – Contingency	\$114,888
CDBG Capital Project Funding	\$153,638
Regional Allocation and Program Administration - 52%	
King County Housing Stability Program (5%)	\$16,042
King County Major Home Repair Program (25%)**	\$80,208
CDBG Regional Program Funding	\$96,250
King County Administration and Planning (10%)**	\$32,083
King County Capital Set Aside (2%)	\$6,417
City of Shoreline Administration and Planning (10%)**	\$32,083
CDBG Administration and Planning Funding	\$70,583
Total CDBG Allocations	\$320,831

*Fluctuates depending on loan repayments each year

**Percentage set in the Inter-local Agreement

CDBG 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. **Capital Projects**
If additional CDBG Capital funds become available in 2019, any additional revenue will be allocated to the Sound Generations Minor Home Repair Program.
 - b. **Planning & Administration**
If additional CDBG Planning and Administration funds become available in 2019, the City will use these funds for planning and administration purposes.
2. If funding reductions are necessary:
 - a. **Capital Projects.**
In the event CDBG Capital funds are reduced in 2019, the Future Affordable Housing Development Support will be reduced accordingly.
 - b. **Planning & Administration**
In the event CDBG Planning and Administration funds are reduced in 2019, the City will reduce the amount of revenue allocated to planning and administration purposes.

**2019 Community Development Block Grant (CDBG)
Public Service, Capital Projects and Regional Program
Funding Descriptions**

2019 CDBG Local Option

Staff recommends allocating the full amount of the City's Local Option portion of the 2019 CDBG to support the retention and/or development of affordable housing. The anticipated \$153,998 will support two programs: Sound Generation's Minor Home Repair Program and Future Affordable Housing Development

Minor Home Repair Program – \$38,750

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. As planned, this program is presently funded to operate through July of 2019 on prior years' CDBG funding. The funding recommended will carry the program through the end of 2019.

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 (\$82,720 for two person household in 2018). 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.

Future Affordable Housing Development - \$114,888

At this time there are no projects far enough along in the development process to make a decision on the appropriate way to use CDBG funding. While there are some projects under some consideration, their development timeline and needs are as yet uncertain and it would be premature to make a commitment of federal funds for such a project. Staff anticipates that there will be future allocations of CDBG funding in the coming years. As the development opportunities are better understood, staff looks to combine multiple years of CDBG funding to provide a more impactful level of support to a specific project. This was the process used to support the Ronald Commons affordable housing project, and would be replicated here.

2019 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: \$16,042

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: \$80,208

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.