

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Public Hearing and Discussion of the Community Development Block Grant Funding and Contingency Plan for 2020
DEPARTMENT:	Community Services Division
PRESENTED BY:	Bethany Wolbrecht-Dunn, Grants Administrator
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:

Biannually the City adopts a Human Services Funding Plan. The 2019 – 2020 Human Services Funding Plan allocates both General Fund and Community Development Block Grant (CDBG) funds to 11 human service agencies to deliver services through 22 separate programs to Shoreline residents, as well as provide for capital projects that support projects for low and moderate income persons. While the City adopts a two-year spending plan for human services funding, it must take public comment and confirm decisions about the use of CDBG funds annually.

For 2020, the City Manager recommends use of CDBG funds to support continued operation of the Interlocal Agreement with King County for administration of our grants, continued support to the Minor Home Repair Program and support of a housing preservation project at King County Housing Authority’s Westminster Manor.

Tonight, Council will hold a public hearing on the proposed 2020 CDBG Funding and Contingency Plan. Then, on September 23, 2019, staff recommends that the Council approve the plan.

FINANCIAL IMPACT:

The 2020 CDBG Funding and Contingency Plan anticipates that the City of Shoreline will be eligible to receive \$322,565 in CDBG funds in 2020. The proposed funding plan would allocate all CDBG funds.

RECOMMENDATION

Staff recommends that Council hold the public hearing regarding the use of the 2020 Community Development Block Grant funding. Staff further recommends that Council approve the recommended projects, as scheduled, on September 23, 2019.

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

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 CDBG funds and act to adopt an allocation plan. CDBG funding is proposed to be used for housing repair and capital projects as well as for planning and administration. This is outlined in the 2020 Community Development Block Grant Funding and Contingency Plan (Attachment A).

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 service needs. The current plan, adopted in 2018, funds 22 separate programs serving an estimated 2,200 Shoreline residents annually. See Attachment B for a list of agencies and the amounts of funding allocated to each agency in 2019 and projected for 2020.

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. Federal regulations require that the City Council hold an annual public hearing before adopting the annual CDBG allocation plan.

CDBG Program

The Federal CDBG Program is one of the most enduring programs providing federal support to local jurisdictions. It was created under Title I of the Housing and Community Development Act of 1974. The primary objective of the CDBG 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% of the King County median income (\$70,600 for a two person household). 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 Interlocal 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 is allocated to the delivery of regional programs which serve Shoreline residents, and to program planning and administration of the grant funding. Regional programs include a homeless prevention 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.

DISCUSSION

The total amount of new CDBG funding that is available to the City of Shoreline in 2020 is projected to be \$322,565. The CDBG Interlocal Agreement between King County and the City of Shoreline specifies the percentages of funding for regional projects. The City's 2020 CDBG Funding and Contingency Plan (Attachment A) specifies how the full amount of CDBG revenue is allocated.

2020 Capital Funding Recommendation

Sound Generations - Minor Home Repair: \$91,200

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 2018, the program completed 134 repairs at 19 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 Sound Generations and there is no other non-City funding source for this program.

King County Housing Authority – Westminster Manor Electrical Upgrades - \$63,631

Westminster Manor is a 60 unit, four-story building that was constructed in 1972 and purchased by the King County Housing Authority KCHA in 2010 to preserve the affordability of the units for the senior and disabled residents. Residents of Westminster Manor must be 62 years or older and/or disabled and their household income must be at or below 80% of area median income (preference is given to households with income at or below 30% of area median income). The complex also has a resident services coordinator on site each week to assist with referral to other services and to schedule transportation. The project would include replacing the two main electrical distribution panels that serve the building, as well as the 60 in-unit panels. The majority of the building's systems, components and finishes are original and are significantly worn given the property's age. The CDBG funds will leverage other US Housing and Urban Development funding.

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 Interlocal Agreement. The total funding for these regional programs is \$96,769.

The Housing Stability Project: \$16,128

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: \$80,641

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 2018, the program funded three (3) projects. In the first half of 2019, four (4) new applications were funded.

ALTERNATIVES ANALYZED

After holding a public hearing on the use of CDBG funds, the City Council has two alternatives to consider for approval at the September 23, 2019 Council meeting:

1. Council could approve the proposed use of CDBG funds in 2020 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 2020 CDBG Funding and Contingency Plan anticipates that the City of Shoreline will be eligible to receive \$322,565 in CDBG funds in 2020. The proposed funding plan would allocate all CDBG funds.

RECOMMENDATION

Staff recommends that Council hold the public hearing regarding the use of the 2020 Community Development Block Grant funding. Staff further recommends that Council approve the recommended projects, as scheduled, on September 23, 2019.

ATTACHMENTS

- Attachment A: 2020 CDBG Funding and Contingency Plan
- Attachment B: 2019-2020 Human Services Allocation Plan

2020 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CONTINGENCY PLAN

Since the Community Development Block Grant (CDBG) funds for 2020 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.

2020 Estimated CDBG Funding Totals by Source	Amount
Share of 2020 Entitlement Grant Allocation	\$322,565
Program Income*	\$0
Total CDBG Revenue	\$322,565
2020 Estimated CDBG Allocation	
Local Allocation - 48%	
Sound Generations – Minor Home Repair	\$91,200
KCHA – Westminster Manor	\$63,631
CDBG Capital Project Funding	\$154,831
Regional Allocation and Program Administration - 52%	
King County Housing Stability Program (5%)	\$16,128
King County Major Home Repair Program (25%)**	\$80,641
CDBG Regional Program Funding	\$96,769
King County Administration and Planning (10%)**	\$32,257
King County Capital Set Aside (2%)	\$6,451
City of Shoreline Administration and Planning (10%)**	\$32,257
CDBG Administration and Planning Funding	\$70,965
Total CDBG Allocations	\$322,565

*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 2020, 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 2020, 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 2020, the Future Affordable Housing Development Support will be reduced accordingly.
 - b. **Planning & Administration**
In the event CDBG Planning and Administration funds are reduced in 2020, the City will reduce the amount of revenue allocated to planning and administration purposes.

ATTACHMENT B: 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 Utililty 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 Surviror 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