

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adoption of the 2021 Community Development Block Grant Funding and Contingency Plan and the 2021-2022 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:	Bethany Wolbrecht-Dunn, Interim Community Services Manager
ACTION:	<input type="checkbox"/> Ordinance <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Motion <input type="checkbox"/> Discussion <input 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 2021-2022 Human Services Funding Plan provides support to 24 programs projected to serve 3,000 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.

On September 14, 2020, the City Council held a public hearing and reviewed the staff recommendation for the Funding Plan. The Council was unanimously in support of the staff recommendation and directed this item to be brought forward for adoption at tonight’s Council meeting.

FINANCIAL IMPACT:

The 2021-2022 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$916,627 to allocate for human services in 2021 and \$916,688 in 2022. For 2021, this includes \$440,082 of General Fund revenues, \$323,558 of Federal

CDBG funds and \$152,987 in restricted/dedicated revenues. The table below shows all human service funding including General Fund and CDBG revenues for 2021-2022:

2021-2022 Human Service Funding Categories	2021 Funding Amount est.	2022 Funding Amount, est.
Unrestricted General Fund Revenue*	\$440,082	\$440,082
Restricted/Dedicated Revenue	\$152,987	\$153,048
Total General Fund	\$593,069	\$593,130
CDBG Capital Project Funding	\$155,307	\$155,307
CDBG Regional Program Funding (Home Repair and Homeless Response)	\$97,068	\$97,068
CDBG Administration and Planning Funding	\$71,183	\$71,183
Total CDBG	\$323,558	\$323,558
Total CDBG and General Fund Human Service Funding	\$916,627	\$916,688

*While the General Fund allocations for competitive Human Services funding is budgeted as \$418,389 (0.95% of reoccurring General Fund revenues) for 2021 and \$461,774 (1.0% of reoccurring General Fund revenues) for 2022, staff recommends allocating the funds equally over the two years of the biennium.

RECOMMENDATION

Staff recommends that Council move to adopt the 2021 Community Development Block Grant funding and the 2021-2022 Human Service 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. Through the competitive allocations process the City received 44 applications for programs, which requested a total of \$799,326 in 2021 funding.

The City Council set a goal of allocating 1.0% of Net General Fund (GF) revenues for competitively allocated human services by the year 2022. This results in a gradual increase each year between 2017 and 2022. The 2021-2022 projections for allocation are set at 0.95% and 1.0% of Net GF Revenues for 2021 and 2022 respectively. The staff report for this 2017 human services funding policy discussion can be found at the following link:

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

On July 13, 2020, staff presented Council with updates on the potential financial impact of the COVID-19 Pandemic on the 2021-2022 City Budget. The staff report from this Council discussion can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport071320-9a.pdf>.

Staff have used those GF estimates to calculate 0.95% and 1.0% of Net GF Revenues for 2021 and 2022 to meet the Council goal set forth in 2017.

Basis	2021	2022	2-year total
GF Recurring Revenue Basis	0.95%	1.00%	
July 2020 Council Update	\$418,389	\$461,774	\$880,163

While the GF allocations for competitive Human Services funding is budgeted as \$418,389 (0.95% of reoccurring GF revenues) for 2021 and \$461,774 (1.0% of reoccurring GF revenues) for 2022, staff recommends allocating the funds equally over the two years of the biennium. Thus, the City will allocate \$440,082 in 2021 and \$440,082 in 2022 to support services provided by agencies that submit applications through the competitive human services allocation process. The City also uses an additional \$152,987 of dedicated revenues in the General Fund to support services in the areas of substance abuse, domestic violence and financial assistance.

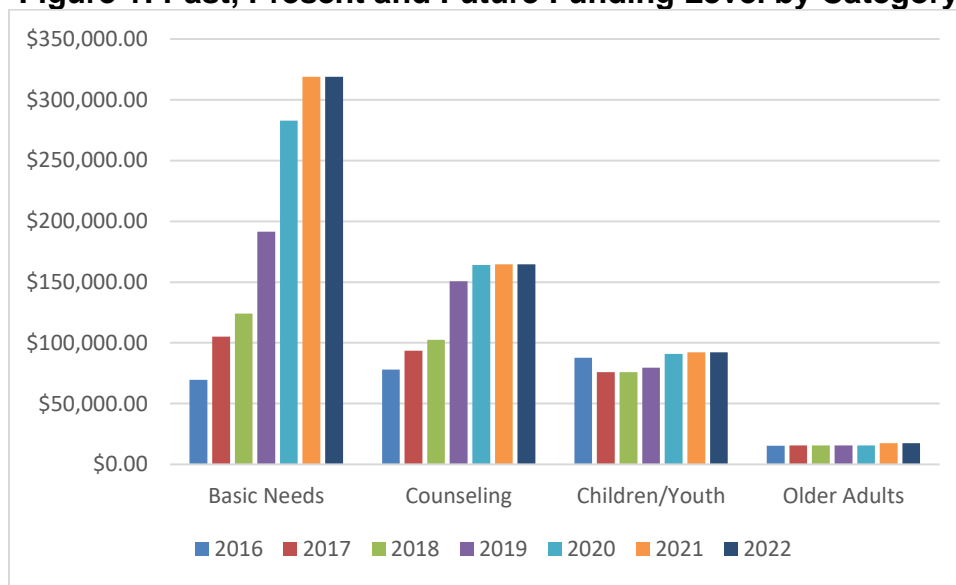
On September 14, 2020, the City Council held a public hearing and reviewed the staff recommendation for the Funding Plan and CDBG Funding. The staff report for this Council discussion item can be found at the following link:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2020/staffreport091420-8a.pdf>.

DISCUSSION

The 2021-2022 Human Services Funding Plan provides support to 24 programs through the competitive funding process and is projected to serve 3,000 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.

The 2021-2022 Proposed Human Service Funding Plan provides increased funding across several priority areas and maintains the City’s partnerships with agencies serving the array of needs in the community. The human services funding allocation from 2016 through 2022 by funding category are noted in Figure 1 below:

Figure 1: Past, Present and Future Funding Level by Category



Attachment B to this staff report 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 federal appropriation of CDBG funding, staff plans for a variance of +/- 10%. Changes greater than that will require further Council action. Attachment C to this staff report provides descriptions of the services that will be funded with the CDBG funding. The proposed total funding for CDBG human service funds is \$323,558.

As noted above, on September 14, 2020, the City Council held a public hearing and reviewed the staff recommendation for the proposed 2021-2022 Human Services Funding Plan. Following the public hearing and Council discussion, Council expressed their unanimous support for the proposed Funding Plan and directed that this item be

brought forward for adoption at tonight's Council meeting. Tonight, Council is scheduled to adopt the 2021-2022 Human Service Funding Plan, adopt the 2021 Community Development Block Grant Funding and Contingency Plan, and authorize the City Manager to execute agreements with the applicable agencies for the funded programs.

FINANCIAL IMPACT

The 2021-2022 Human Services Funding Plan anticipates that the City of Shoreline will have a total of \$916,627 to allocate for human services in 2021 and \$916,688 in 2022. For 2021, this includes \$440,082 of General Fund revenues, \$323,558 of Federal CDBG funds and \$152,987 in restricted/dedicated revenues. The table below shows all human service funding including General Fund and CDBG revenues for 2021-2022:

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RECOMMENDATION

Staff recommends that Council move to adopt the 2021 Community Development Block Grant funding and the 2021-2022 Human Service Plan and authorize the City Manager to execute agreements with the applicable agencies for the funded programs.

ATTACHMENTS

- Attachment A: 2021-2022 Human Service Funding Plan
- Attachment B: 2021 CDBG Funding and Contingency Plan
- Attachment C: 2021 CDBG Capital Projects and Regional Program Funding Descriptions

ATTACHMENT A: 2021-2022 Human Service Funding Plan

Agency Name	Program Name	2021 Request	2020 Funded	2021 Proposed	2022 Proposed	Two Year Totals
Crisis Clinic	Crisis Line	\$ 10,000	\$ 7,500	\$ 8,000	\$ 8,000	\$ 16,000
Crisis Clinic	King County 2-1-1	\$ 12,500	\$ 12,000	\$ 12,500	\$ 12,500	\$ 25,000
Hopelink	Employment	\$ 42,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 20,000
Hopelink	Family Development	\$ 25,200	\$ 11,000	\$ 11,000	\$ 11,000	\$ 22,000
Hopelink	Family Housing	\$ 25,750	\$ 25,000	\$ 25,750	\$ 25,750	\$ 51,500
Hopelink	Adult Education	\$ 21,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 12,000
Hopelink	Financial Assistance	\$ 92,628	\$ 27,000	\$ 27,000	\$ 27,000	\$ 54,000
Hopelink	Emergency Food	\$ 86,730	\$ 48,000	\$ 59,000	\$ 59,000	\$ 118,000
Lake City Partners	Winter Shelter	\$ 20,000	\$ 15,000	\$ 18,612	\$ 18,612	\$ 37,224
Lake City Partners	Housing Program Outreach	\$ 25,000	\$ 11,000	\$ 25,000	\$ 25,000	\$ 50,000
Mary's Place	A Place to Call Home	\$ 10,000	\$ -	\$ 5,000	\$ 5,000	\$ 10,000
Harborview Medical Center	Center for Sexual Assault & Traumatic Stress	\$ 5,150	\$ 5,000	\$ 5,150	\$ 5,150	\$ 10,300
King County Sexual Assault Resource Center	King County Sexual Assault Resource Center	\$ 8,320	\$ 8,000	\$ 8,320	\$ 8,320	\$ 16,640
Center for Human Services	Behavioral Health	\$ 130,800	\$ 109,000	\$ 109,000	\$ 109,000	\$ 218,000
Center for Human Services	Family Support Programs	\$ 80,000	\$ 80,000	\$ 80,000	\$ 80,000	\$ 160,000
Child Care Resources	Information & Referral	\$ 8,084	\$ 5,000	\$ 5,000	\$ 5,000	\$ 10,000
Wonderland Child & Family Services	The Next Level	\$ 7,250	\$ 6,000	\$ 7,250	\$ 7,250	\$ 14,500
Sound Generations	Community Dining	\$ 10,000	\$ 6,500	\$ 7,500	\$ 7,500	\$ 15,000
Sound Generations	Meals on Wheels	\$ 5,991	\$ 5,000	\$ 6,000	\$ 6,000	\$ 12,000
Sound Generations	Volunteer Transportation	\$ 8,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 8,000
Totals for Competitive Allocation		\$ 634,403	\$ 401,000	\$ 440,082	\$ 440,082	\$ 880,164

Other Programs Supports/Fund Source		2020 Funded	2021 Proposed	2022 Proposed	Two Year Totals
Hopelink/City Utility Revenue (GF)	Utility Assistance	\$ 25,000	\$ 25,000	\$ 25,000	\$ 50,000
Hopelink/Substitute House Bill 1406	Affordable and Supportive Housing	\$ 81,700	\$ 85,929	\$ 85,929	\$ 171,858
CHS/State Shared Revenue*	Behavioral Health/Substance Abuse	\$ 14,850	\$ 15,453	\$ 15,514	\$ 30,967
New Beginnings/State Shared Revenue**	Domestic Violence Services	\$ 26,605	\$ 26,605	\$ 26,605	\$ 53,210
Total for Other Programs		\$ 148,155	\$ 152,987	\$ 153,048	\$ 306,035

TOTALS FOR ALL PROGRAMS **\$ 549,155 \$ 593,069 \$ 593,130 \$ 1,186,199**

Priority Areas	Proposed 2021	Proposed 2022
Basic Needs	\$ 318,791	\$ 318,791
Counseling/Behavioral Health	\$ 164,528	\$ 164,589
Children/Youth	\$ 92,250	\$ 92,250
Older Adults	\$ 17,500	\$ 17,500
	\$ 593,069	\$ 593,130

2021 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CONTINGENCY PLAN

Since the Community Development Block Grant (CDBG) funds for 2021 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.

2021 Estimated CDBG Funding Totals by Source	Amount
Share of 2021 Entitlement Grant Allocation	\$323,558
Program Income*	\$0
Total CDBG Revenue	\$323,558
2021 Estimated CDBG Allocation	
Amount	
Local Allocation - 48%	
Sound Generations – Minor Home Repair	\$92,100
Housing Development – Contingency	\$63,207
CDBG Capital Project Funding	\$155,307
Regional Allocation and Program Administration - 52%	
King County Housing Stability Program (5%)	\$16,178
King County Major Home Repair Program (25%)**	\$80,890
CDBG Regional Program Funding	\$97,068
King County Administration and Planning (10%)**	\$32,356
King County Capital Set Aside (2%)	\$6,471
City of Shoreline Administration and Planning (10%)**	\$32,356
CDBG Administration and Planning Funding	\$71,183
Total CDBG Allocations	\$323,558

*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 2021, any additional revenue up to \$5,000 will be allocated to the Sound Generations Minor Home Repair Program. Any remaining additional funds will be added to the contingency project.
 - b. **Planning & Administration**
If additional CDBG Planning and Administration funds become available in 2021, 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 2021, the Housing Contingency Project will be reduced accordingly.
 - b. **Planning & Administration**
In the event CDBG Planning and Administration funds are reduced in 2021, the City will reduce the amount of revenue allocated to planning and administration purposes.

2021 Community Development Block Grant (CDBG) Capital Projects and Regional Program Funding Descriptions

2021 CDBG Local Option

Staff recommends allocating the full amount of the City's Local Option portion of the 2021 CDBG to support the retention and/or development of affordable housing. The anticipated \$155,307 will support two programs: Sound Generation's Minor Home Repair Program and Future Affordable Housing Development.

Minor Home Repair Program – \$92,100

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 homeowners on a frequent basis to keep their homes safe and in good repair.

The Minor Home Repair Program is targeted to income eligible residents (at or below 80% of the Area Median Income, which is currently \$76,200 for a 2 -person household) and most are older adults in households between 30% and 50% of Area Median Income. Homeowners 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 homeowners, 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.

Housing Development – Contingency - \$63,207

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.

2021 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: \$16,178

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: \$80,890

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.