

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Action on the Reprogramming of \$71,885 in 2021 Community Development Block Grant Contingency Funding to the Compass Housing Leak Repair Project
DEPARTMENT:	Community Services Division
PRESENTED BY:	Bethany Wolbrecht-Dunn, 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:

In 2019, the Council approved two Community Development Block Grant (CDBG) Capital projects through a supplemental request for proposals to allocate unused CDBG funds. A component of one of those projects, a leak repair at Compass Housing Alliance's Ronald Commons affordable housing development, now requires additional funding to resolve the complex water leak safely and properly.

Each year, the Council reviews and approves the slate of CDBG projects. After a required Public Hearing on September 14, 2020, the Council approved Sound Generations' Minor Home Repair Project and held \$71,885 in contingency. It is proposed that Council approve the allocation of that contingency to the leak repair project to fully fund the repairs; any remaining unused funds will be available for future CDBG projects.

On May 24, 2021, the City Council held a public hearing and reviewed the staff recommendation for the reprogramming of the 2021 CDBG contingency funds to the Compass Housing Leak Repair project. The Council was in support of the staff recommendation and directed this item to be brought back forward for action at tonight's Council meeting.

FINANCIAL IMPACT:

There is no financial impact to the City in the reallocation of these funds. As part of the City's interlocal agreement with King County, they manage the contracting and implementation of non-City specific CDBG capital projects.

RECOMMENDATION

Staff recommends that the City Council move to reprogram \$71,885 in 2021 CDBG contingency funds to the Compass Housing Leak Repair project.

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

BACKGROUND

The Federal Community Development Block Grant (CDBG) Program is one of the most enduring programs providing federal support to local jurisdictions. 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.

As a CDBG entitlement community, Shoreline receives an annual allocation of CDBG funds. The City has an Interlocal Agreement with King County for the administration and management of the City's CDBG grant. Generally, the City receives approximately \$322,000 annually, of which the Interlocal Agreement allows the City to allocate 48% of the available funds to local projects. The balance is allocated to the delivery of regional programs that serve Shoreline residents and program planning and grant administration.

Biannually, the City adopts a Human Services Funding Plan. The 2021 – 2022 Human Services Funding Plan allocated both General Fund and CDBG funds to agencies to support programs benefitting Shoreline residents, as well as provide for capital projects that support projects for low- and moderate-income persons. The 2021-2022 Funding Plan was approved at the Council's September 28, 2020 meeting.

The 2021 CDBG approved funding was based on an estimate that is impacted by final Federal appropriations, recaptured funding and repaid Major Home Repair loans. The final CDBG project amounts are based on the approved contingency plan.

Program	As Approved	Final CDBG Amounts
Sound Generations – Minor Home Repair	\$92,100	\$104,398
Housing Development - Contingency	\$63,207	\$71,885

Shoreline has generally used the "Contingency" to hold funds until there is a project available that would qualify for CDBG assistance. As projects are developed, staff will bring them forward to Council for a Public Hearing and approval. As there is a timeliness requirement for CDBG funds, staff will hold supplemental capital funding processes as needed.

DISCUSSION

In early 2019, the City held a supplemental CDBG capital process to allocate approximately \$200,000 in prior years' funding. The proposed use of these supplemental funds was approved on June 3, 2019. The staff report for this Council action can be found at the following link:

<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2019/staffreport060319-7b.pdf>.

The projects approved by Council as part of this supplemental process were:

- *Center for Human Services* - \$108,000 for safety improvements to their fire escape and to renovate their children's play area.

- *Compass Housing/Hopelink* - \$92,878 to correct internal building leaks (causing damage to other parts of the building, including the food bank) and to provide a partition and carpet in the Hopelink services space.

Both the Center for Human Services project and the Hopelink partition/carpet projects have been completed. Unfortunately, the bids for the leak protection project came in significantly higher than the \$48,189 allocated to address the water leak project.

As originally presented, the building that contains Ronald Commons and Hopelink Services on Aurora Avenue N has a serious leak issue that has and will likely continue to damage the foodbank and other spaces unless remedied. This project will design and implement a solution to the issue, procure the necessary fire-rated sealant and open walls, apply the sealant and restore the space to the original appearance and function. While the basics of the project remain, a few components have been added to ensure the water issues are solved and the building and contents protected.

As shown above, the City has \$71,885 in unallocated 2021 CDBG contingency funds that staff is recommending be allocated to fully fund this project. Any remaining funds will be recaptured and available for reallocation.

Public Hearing and Council Direction

On March 29, 2021, the City Council held a public hearing and reviewed the staff recommendation for the reprogramming of the 2021 CDBG contingency funds to the Compass Housing Leak Repair project. Following the close of the public hearing, the Council stated their support of the staff recommendation and directed this item to be brought forward for action at tonight's Council meeting. The staff report for the May 24th public hearing can be found at the following link:
<http://cosweb.ci.shoreline.wa.us/uploads/attachments/cck/council/staffreports/2021/staffreport052421-8a.pdf>.

FINANCIAL IMPACT

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RECOMMENDATION

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