

CITY COUNCIL AGENDA ITEM
CITY OF SHORELINE, WASHINGTON

AGENDA TITLE:	Adopting the Community Development Block Grant Funding and Contingency Plan for 2022
DEPARTMENT:	Recreation, Cultural and Community Services
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:

The City adopts a Human Services Funding Plan biennially. The 2021–2022 Human Services Funding Plan allocates both General Fund and federal Community Development Block Grant (CDBG) funds to 11 human service agencies to deliver services through 24 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 2022, 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 to hold the remainder in contingency.

On September 27, 2021, the City Council held a public hearing and reviewed the recommendation for the use of 2022 CDBG funds. The Council was supportive of the recommendation and directed that this item be brought forward for adoption at tonight’s Council meeting.

FINANCIAL IMPACT:

The 2022 CDBG Funding and Contingency Plan anticipates that the City of Shoreline will be eligible to receive \$323,558 in CDBG funds in 2022. The proposed funding plan would allocate all CDBG funds. The City’s 2022-2023 Budget anticipates the allocation of CDBG funds, so no budget amendment is needed.

RECOMMENDATION

Staff recommends that the City Council move to adopt the Community Development Block Grant Funding and Contingency Plan for 2020 as listed in Attachment A and authorize the City Manager to execute contracts and/or amendments with King County and Sound Generations to implement the funded projects.

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

BACKGROUND

The City financially supports human services delivery by non-profit agencies using General Fund and federal Community Development Block Grant (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 2022 CDBG Funding and Contingency Plan (Attachment A).

Biannual Human Services Funding Plan

The City develops a Human Services Funding Plan biennially to specify how it will allocate funds to address residents' human service needs. The current plan, adopted in 2020, funds 24 separate programs serving an estimated 3,000 Shoreline residents annually. See Attachment B for a list of agencies and the amounts of funding allocated to each agency in 2021 and projected for 2022.

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 (\$90,500 for a four-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 are 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.

On September 27, 2021, the City Council held the required public hearing and reviewed the Funding and Contingency Plan recommendation (Attachment A) for the use of 2022 CDBG funds. The staff report for this Council discussion can be found at the following link: [Public Hearing and Discussing the 2022 Community Development Block Grant Funding Plan](#).

DISCUSSION

The total amount of new CDBG funding that is available to the City of Shoreline in 2022 is projected to be \$323,558. The CDBG Interlocal Agreement between King County and the City of Shoreline specifies the percentages of funding for regional projects. The City's 2022 CDBG Funding and Contingency Plan (Attachment A) specifies how the full amount of CDBG revenue is allocated.

2022 Capital Funding Recommendation

Sound Generations - Minor Home Repair: \$98,000

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. In 2020, the program completed 84 repairs at 30 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.

Project Contingency - \$57,307

These funds will be held in contingency until an eligible project is available. Shoreline City Council approval of any project is required.

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 \$97,068.

The Housing Stability Project: \$16,178

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: \$80,890

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 Interlocal Agreement at 25% of 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.

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 October 11, 2021, Council meeting:

1. Council could approve the proposed use of CDBG funds in 2022 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 2022 CDBG Funding and Contingency Plan anticipates that the City of Shoreline will be eligible to receive \$323,558 in CDBG funds in 2022. The proposed funding plan would allocate all CDBG funds.

RECOMMENDATION

Staff recommends that the City Council move to adopt the Community Development Block Grant Funding and Contingency Plan for 2020 as listed in Attachment A and authorize the City Manager to execute contracts and/or amendments with King County and Sound Generations to implement the funded projects.

ATTACHMENTS

Attachment A: 2022 CDBG Funding and Contingency Plan

Attachment B: 2021-2022 Human Services Allocation Plan

2022 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDING AND CONTINGENCY PLAN

Since the Community Development Block Grant (CDBG) funds for 2022 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.

2022 Estimated CDBG Funding Totals by Source	Amount
Share of 2020 Entitlement Grant Allocation	\$323,558
Program Income*	\$0
Total CDBG Revenue	\$323,558
2022 Estimated CDBG Funding Plan Allocation	
Amount	
Local Allocation - 48%	
Sound Generations – Minor Home Repair	\$98,000
Capital Contingency	\$57,307
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
Regional Allocation and Program Administration	\$168,251
Total CDBG Allocations	\$323,558

*Fluctuates depending on loan repayments each year

**Percentage set in the Inter-local Agreement

2022 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 2022, 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 2022, 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 2022, the Project Contingency amount will be reduced accordingly.
 - b. **Planning & Administration**
In the event CDBG Planning and Administration funds are reduced in 2022, the City will reduce the amount of revenue allocated to planning and administration purposes.

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	\$ 68,500	\$ 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		\$ 622,903	\$ 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