



CITY OF KIRKLAND

Department of Parks & Community Services

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MEMORANDUM

To: Kurt Triplett, City Manager
Michael Olson, Director of Finance & Administration

From: Lynn Zwaagstra, Director
Jen Boone, Human Services Manager

Date: October 19, 2022

Subject: HUMAN SERVICES ISSUE PAPER

City of Kirkland Funding for Human Services

The City makes investments to address basic community needs through several City functions. While this issue paper focuses on human services grant funding, staff have included a summary of overall human services funding the City provides in the budget for additional context. Funding for Human Services is incorporated into a variety of operating and non-operating budgets. **Attachment A** summarizes the total human services funding provided by the City across all departments and functions.

Regional Approach to Human Services Grant Funding

The City's Human Services Division works regionally with North and East King County funders to coordinate, collaborate, facilitate, and fund support systems that help residents access basic needs, such as housing, food, healthcare, transportation, and sense of community belonging.

Kirkland has worked with other King County funders to develop a regional approach to funding, creating benefits that are three-fold: 1) nonprofit organizations experience easier access when seeking funding; 2) residents' ability to access services, improving their quality of life in Kirkland and the broader Eastside; and 3) leveraging the City's investment in human services grant funding leading to a greater impact in meeting the needs on the Eastside.

Recent examples of regional investment and partnership among King County cities include:

- Creation of an online joint application between 16 King County cities that agencies can apply for two-year funding to multiple cities using one application;
- Launch of a regional online data collection system, allowing for consistent information and improved alignment of programs and funding among cities;
- Participation in a pooled funding program with select north and east city funders so an agency receiving funding from multiple cities holds one contract, reducing overhead costs and reporting requirements;
- Shared training opportunities for Human Services Commissions to learn about incorporating equity into the grant decision-making framework, creating opportunity for small community-based organizations serving historically underserved communities to be considered for City funding.

Current Human Services Grant Funding

Since the City began investing in human services grants to nonprofit organizations in 1986, City funding for grant programs has been derived from ongoing funds approved in the Parks and Community Services Department's base budget, and one-time supplemental funding as authorized by the City Council during each budget cycle.

The ongoing base budget per year for human services for 2023-24 is \$969,237. For the 2021-22 biennium, City Council authorized one-time supplemental funding in the amount of \$241,889 for a total biennial budget of \$1,810,587.

Funding Sources

The City of Kirkland has added several funding streams to support human services for Kirkland residents over the last few biennium cycles.

Community Development Block Grant (CDBG)

Since it became a Joint Agreement City in the King County Urban Consortium in 2015, the City allocates its portion of public services funds from the federal Community Development Block Grant (CDBG) program to support human services. The estimated amount to support public services for 2023-24 is \$41,785 per year.

Enhanced Police Services and Community Safety Ballot Measure (Prop 1)

In 2018, Kirkland voters approved a 0.1% public safety sales tax that provided additional funding for human services to address homelessness, mental health needs, domestic violence, and suicide prevention for youth. Earlier this year, an additional \$186,406 was allocated to human services funding following a program modification to the [School Resource Officer \(SRO\) program](#). The funding available to support human services grants for 2023-24 is expected to be \$636,406 per year.

Multi Family Tax Credit Agreement with Kirkland Sustainable (MFTE)

In the fall of 2019, the City entered into an agreement with Kirkland Sustainable Investments, LLC (KSI) to offer new affordable rental housing units and City (and other public sector) employee rental housing units in downtown Kirkland. Part of this agreement called for "the payment to the City of 65% of KSI's property tax savings for use by the City to invest in low-income housing programs and in support of the Eastside Women and Family Shelter." Over the last three years of the agreement the City has supported housing navigators and client move-in assistance to families and women staying at the new Kirkland Place for Families and Women. The estimated funding available for 2023-24 is \$79,564 per year.

House Bill 1406

State House Bill 1406 dollars were allocated by the City Manager to fund human services programs administering rent assistance in 2021 and 2022 to support those experiencing housing instability during the pandemic. 1406 dollars will continue to support rent assistance for 2023-24. The estimated funding available is expected to be \$253,726 per year.

CARES and ARPA

Since the onset of the COVID-19 pandemic in 2020, the City has invested over \$3 million in federal dollars received from the Coronavirus Aid, Relief, and Economic Security Act

(CARES) and the American Rescue Plan Act (ARPA) to allocate additional one-time funding to meet the increased needs and subsequent demand for services in the community. In 2020, the City invested \$1.2 million in CARES dollars to support agencies facing increased administrative costs related to COVID-19, rent assistance, food, and other basic needs. In 2021, the City allocated \$1 million to support housing stability, behavioral health, digital equity, and vaccine incentives to underrepresented populations. In early 2022, an additional \$1.15 million was earmarked to support households with rent assistance. Staff anticipate unspent ARPA dollars earmarked for Human Services by end of 2022. The City Manager is proposing to reallocate the unspent dollars to help fund 2023-24 human services grants. The estimated unspent total is \$720,000, or \$360,000 per year.

The combined total funding proposed in the City Manager’s budget for 2023 and 2024 is \$4,681,436 (\$2,340,718 per year).

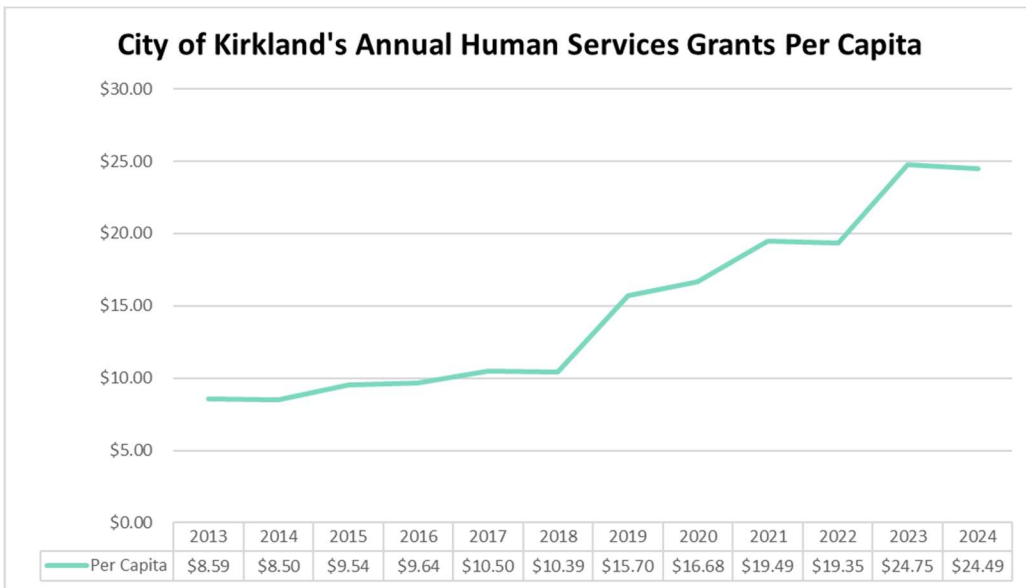
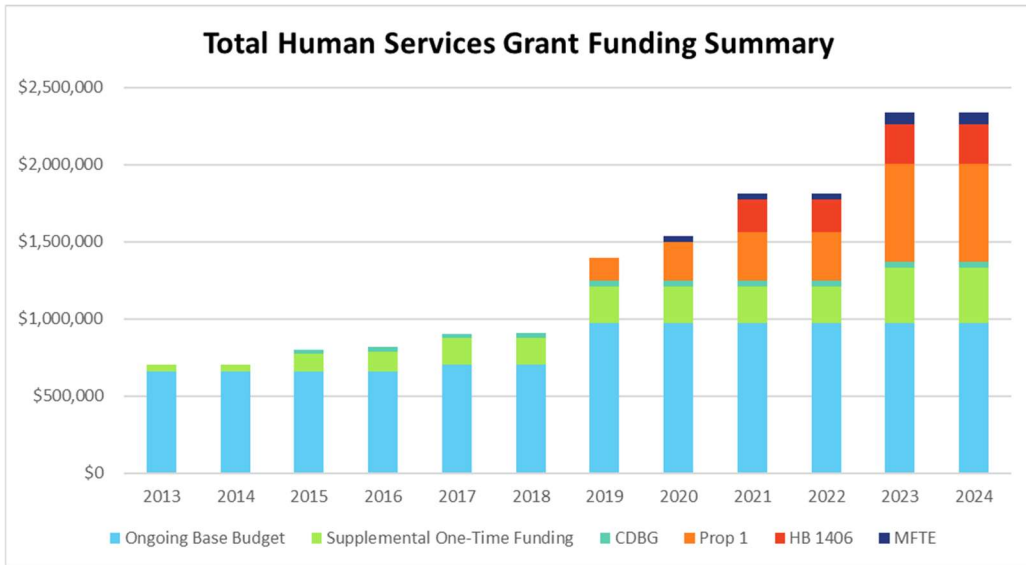
Table 1 summarizes funding amounts made available for human services grants since 2013.

Table 1. City of Kirkland Funding for Human Services Grants 2013 – 2024

Year	Population*	Ongoing Base Budget	Supplemental One-time Funding	CDBG	Community Safety Prop 1	WA HB 1406	MFTE	Total Funding	Per Capita
2013	81,730	\$656,944	\$44,814	\$0	\$0	\$0	\$0	\$701,758	\$8.59
2014	82,590	\$656,944	\$44,814	\$0	\$0	\$0	\$0	\$701,758	\$8.50
2015	83,460	\$656,944	\$114,679	\$24,470	\$0	\$0	\$0	\$796,093	\$9.54
2016	84,680	\$656,944	\$129,679	\$29,892	\$0	\$0	\$0	\$816,515	\$9.64
2017	86,080	\$701,758	\$171,149	\$30,691	\$0	\$0	\$0	\$903,598	\$10.50
2018	87,240	\$701,758	\$171,149	\$33,687	\$0	\$0	\$0	\$906,594	\$10.39
2019	88,940	\$969,237	\$241,889	\$36,664	\$148,818	\$0	\$0	\$1,396,608	\$15.70
2020	92,175	\$969,237	\$241,889	\$38,931	\$248,818	\$0	\$38,862	\$1,537,737	\$16.68
2021	92,900	\$969,237	\$241,889	\$38,931	\$310,000	\$211,668	\$38,862	\$1,810,587	\$19.49
2022	93,570	\$969,237	\$241,889	\$38,931	\$310,000	\$211,668	\$38,862	\$1,810,587	\$19.35
2023	94,590	\$969,237	\$360,000	\$41,785	\$636,406	\$253,726	\$79,564	\$2,340,718	\$24.75
2024	95,565	\$969,237	\$360,000	\$41,785	\$636,406	\$253,726	\$79,564	\$2,340,718	\$24.49

* 2023 and 2024 estimates based on King County estimated rate of growth from the Washington Office of Financial Management

Kirkland’s total funding amount for human services grants has increased annually, as shown in the following charts.



Comparison Snapshot: Neighboring Cities Human Services Investment

Table 2 provides a comparison of Kirkland and neighboring cities funding allocations for human services grants by total dollars invested and on a per capita basis. Due to the severity of need, jurisdictions are proposing additional one-time funding to support base budget investments for the 2023-24 cycle. The one-time funding request process differs by jurisdiction. The numbers included in the additional one-time funds' column are recommended for consideration as part of the budget process, the final number is not approved until the budget is passed.

Table 2. Human Services Annual Investment by Jurisdiction for 2023-24 Biennium

City	Estimated 2023 Population	Annual Human Services Grant Funds (Base Budget)	Per Capita Human Services Investment (Base Budget)	Additional One-Time Funds Requested ¹	Total Recommended Grant Funds ²	Total Recommended Per Capita Investment
Bellevue	155,578	\$2,275,000	\$14.62	\$2,713,131	\$4,988,131	\$32.06
Issaquah	41,396	\$500,000	\$12.08	\$56,720	\$556,720	\$13.45
Kirkland	94,590	\$1,726,992	\$18.26	\$613,726	\$2,340,718	\$24.75
Redmond	76,091	\$1,611,255	\$21.18	\$931,303	\$2,542,558	\$33.41
Sammamish	68,893	\$440,345	\$6.39	\$242,391	\$682,736	\$9.91
Shoreline	60,978	\$440,000	\$7.22	\$0	\$440,000	\$7.22

¹ The additional one-time supplementary fund request process differs by jurisdiction. The numbers are proposed as part of the budget process, additional one-time funds are not guaranteed until the budget is approved.

² The total recommended is per year not per biennium.

Comparison Snapshot - Current Need to Current Funds Available

Services Landscape

The Community Needs Assessment released by Hopelink in June 2022 identifies four overarching themes of program and service needs on the Eastside. The needs all stem from having insufficient financial resources to meet one’s needs in North and East King County. The themes are interrelated, and intersect with race, ethnicity, nativity, and personal history to shape the experience of poverty in the region. While the assessment uses the latest available data and reports, some data is based on pre-COVID findings and therefore is already outdated in assessing a hyper-current snapshot of needs. The themes are as follows:

1. Community members are challenged to meet their basic needs.
2. Lack of affordable housing is undermining household security and leading to displacement.
3. There are insufficient transit and transportation options for people with low incomes, particularly outside of urban centers.
4. There is persistent evidence of food insecurity and hunger.

Staff utilize the data and findings provided by the Needs Assessment to understand current trends and needs that impact the human services landscape. The full report released by Hopelink can be found [here](#) with the corresponding memo prepared for City Council earlier this year.

COVID-19

The new economic realities caused by current inflation, the shortfalls of the Great Resignation¹, and continued short and long-term financial and emotional impacts COVID-19 on low-income populations, intersected by systemic racism and the disproportionate impact the above referenced has on under-resourced and Black, Indigenous, People of Color (BIPOC) communities, add additional context to the current services landscape.

¹ The Great Resignation began in 2021 where employees resigned at an alarming rate in sectors most impacted by wage stagnation out of alignment with cost of living, job dissatisfaction, safety concerns due to COVID-19, and the desire for improved work-life balance.

- The demand for behavioral health services has skyrocketed and providers are unable to meet the need. Many workers in the behavioral health industry are leaving the sector because of burnout and pay inequity.
- There is significant demand for eviction prevention services, including emergency financial assistance and legal assistance for residents to maintain their housing. The demand for rent assistance far exceeds the supply as households face significant rent increases in tandem with higher living expenses due to inflation, leading to an ongoing need for assistance to maintain housing stability.
- Access to food continues to be an issue since the onset of the pandemic and is a barrier for folks maintaining stability.
- The needs of those disproportionately impacted by the pandemic and racism, specifically Black and African American, Indigenous, Latinx, immigrants, and refugees, require specific investment in services that are culturally competent, relevant, and appropriate.
- Agencies are requesting significantly higher investment of funds to keep workers in the nonprofit sector, as workers are leaving the industry due to the high levels of stress and demand from COVID-19 intertwined with pay inequity, secondary trauma, and general fatigue in supporting populations with increasingly chronic, and often intersecting needs.

Current Need

The number of grant applications and the total amount requested from community agencies to the City significantly increased from the previous biennium, with many agencies citing the need for additional funding to cover increased costs, staff retention, and higher demand of services. The average increase in request from programs awarded funding in 2021-22 is 94% with requested amounts ranging up to 700% increase in total ask compared to the previous biennium.

For the 2023-24 cycle, the City received 109 grant applications from community agencies, totaling \$8,716,708 for the upcoming biennium (\$4,358,354 per year), reflecting similar trends outlined in the services landscape discussion around unmet need. Table 3 summarizes the funds available compared to the current need since 2013.

Table 3. Comparison of Funds Requested to Funds Available

Budget Period	Total Funds Requested	Total Funds Available	Percentage of Requests Funded
2013-14	\$1,794,000	\$1,403,516	78.2%
2015-16	\$2,354,298	\$1,597,608 ¹	67.9%
2017-18	\$2,848,644	\$1,810,192 ¹	63.5%
2019-20	\$4,080,740	\$2,934,345 ²	71.9%
2021-22	\$4,741,854	\$3,197,838 ³	67.4%
2023-24	\$8,716,708	\$4,681,436	53.7%

¹ Includes CDBG

² Includes CDBG and Prop 1 funding

³ Includes CDBG and Prop 1 funding

⁴ Includes CDBG and Prop 1 funding; as proposed in the City Manager's 2023-24 budget

Human Services Commission

The City formed a Human Services Advisory Committee in 1986 to provide funding recommendations to the City Council for the distribution of grants to agencies providing human services to Kirkland residents. The Committee's role was limited to this purpose. In 2018, the City Council established a Human Services Commission (HSC) to align with Bellevue, Issaquah, Redmond, and Sammamish. The Commission meets monthly to understand current and emerging community needs, available community programs and the impact of such programs. The Commission is also available to provide additional policy guidance to Council and staff as needed.

Upon formation of the HSC, City Council requested the Commission proactively identify Kirkland needs and actively address those needs with recommendations to distribute grant funding. Correspondingly, the Commission recognized that certain areas of service needed to be prioritized regardless of the funding amount available. Each biennium, the Commission reviews the prior biennium's priorities and makes funding adjustments based on current need. Subsequently, their strategy has led to proposed increases in the level of funding for grants by way of one-time supplemental funding requests to be considered by City Council.

For the 2023-24 biennium, the Commission adjusted the framework in how they prepared grant recommendations to include the following considerations given the current services landscape.

- Invest a minimum of 10% of base budget recommendations to community-based organizations serving BIPOC communities
- Invest a minimum of 15% of total funding recommendations to community-based organizations serving BIPOC communities
- Reallocate the prior biennium's investment in larger organizations with greater capacity to seek other grants and shift those requests to be considered for supplemental one-time funding
- Include a cost-of-living adjustment of 7% for agencies which received 2021-22 funding
- Include unallocated grant funding set-aside support to support Indigenous and Black/African American residents

Recognizing the historical and disproportionate impact current events, like the pandemic, continue to have on BIPOC communities, the Commission's framework aligns with the direction from City Council for the Commission to strategize how the City is proactively responding to current community need.

Human Services Staff Support

The Human Services Element of the City's Comprehensive Plan supports the City to create a community where all residents have their physical, mental, economic, and social needs met, increasing the opportunity to enhance their quality of life in Kirkland. The City serves as facilitator and coordinator in addition to funder to meet this goal. City staff in the human services division are directed in the plan to do the following:

1. Regularly assess local human service needs and provide leadership in the development of services to address newly identified needs.
2. Promote community awareness of human service needs, the resources available to meet those needs and the gaps in services.
3. Provide funding for local nonprofit organizations serving the needs of Kirkland residents.
4. Maintain and support a Human Services Commission.
5. Commit Community Development Block Grant Funds (CDBG) to affordable housing and house repairs for low- and moderate-income residents.
6. Participate and provide leadership in local and regional human service efforts.
7. Encourage the development of partnerships among the City, schools, human services providers, and other stakeholders, to address the needs of children and families within the school setting.
8. Ensure human service programs are available and financially accessible.
9. Prior to adoption, consider impacts to human services of any proposed legislation, including City codes and regulations.
10. Administer community donation programs.

The 2021-22 biennium supported the expansion of the Human Services Division staff to include two new Human Services Coordinators, focused on wellbeing and equity. The Equity Coordinator position was originally time-limited to the end in December 2022 but was converted to an ongoing position earlier this year. In addition, the Supervisor position was reclassified to a Manager position to support the growth and expansion of the Division's role and impact in meeting the community's needs.

The City Manager is recommending an additional position in the Human Services Division to include a Street Outreach Worker position to support residents who are unhoused and experiencing homelessness. The position was originally included in the 2021-22 grants budget through a contract with an agency to provide the outreach services. The agency struggled to provide this service. Combined with the increased demand for services for those who are unhoused, it was determined that contracting with an outside agency was not meeting the current need. An internal position to support residents unhoused is a similar approach used in various cities on the Eastside, including Bellevue, Redmond, and Issaquah, increasing collaboration and capacity at the City level among first responders, Human Services staff, and other stakeholders to better coordinate in addressing homelessness. The addition of this position will add capacity to the Division, bolstering the City's ability to respond and support those who are unhoused, first responders, Parks staff, the business community, and residents.

The above activities address priorities identified by the City Council, the Human Services Commission, the 2018 Enhanced Police and Community Safety Ballot Measure, the City's Comprehensive Plan, and Resolutions R-5240 and R-5434 to continued investment in human services to meet basic human needs, allowing residents to thrive in Kirkland and the Eastside.

The continued investment in both the human services grant program and the expanded capacity of human services recommended in the City Manager's 2023-2024 budget responds to the significant needs of Kirkland residents resulting from the services landscape and takes an important step forward to proactively address community need using an equity lens.

ATTACHMENT A

City of Kirkland Human Services and Related Activities Funding

Funding for Human Services and related activities is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of funding for 2023-24 and includes 2021-22 as a comparison.

Program/Funding Source	2021-2022 Budget	2023-2024 Budget
Human Services Program Grants (including CDBG) ¹	3,353,834	3,396,921
Prop 1: Additional Grant Funding ²		312,354
Human Services Forum and Other Regional Programs	15,028	15,112
Prop 1: Women and Family Shelter Operations	200,000	200,000
Prop 1: Mental Health and Human Services Programs	420,000	441,211
Prop 1: Mental Health and Human Services Program Coordination	280,000	258,789
Human Services Coordination (including CDBG)	781,424	642,455
Homeless Outreach Coordination		328,882
WA HB 1406 (Affordable Housing Sales Tax): Rental Assistance ³	546,814	706,194
Senior Center Operations	572,369	647,019
Subtotal People in Need	6,169,469	6,948,937
Human Services Reserve Programming Uses	977,345	
ARPA Funded Rent Assistance, Healthcare, Housing Programs	1,916,289	
Subtotal People in Need - One Time Funding After Budget Adoption	2,893,634	
A Regional Coalition for Housing (ARCH) ⁴	1,486,561	1,716,133
Housing Initiative	150,000	-
Subtotal Affordable Housing	1,636,561	1,716,133
Community Safety Responders Program ⁵	1,819,026	2,450,122
Diversity, Equity, Inclusion and Belonging - Manager/Outreach	476,367	553,791
Community Court	145,487	145,567
Subtotal Inclusive & Welcoming Community	2,440,880	3,149,480
Community Safety Initiative: MIH-Funded Firefighter/EMT and Social Worker	648,376	733,808
Subtotal Fire & Emergency Medical Services	648,376	733,808
Domestic Violence Advocacy in the Police Department	996,089	1,021,011
Prop 1: Neighborhood Resource Officers (NROs) ⁶	556,796	539,518
Police School Resource Program (City-funded portion) ⁷	377,928	
Prop 1: 4 SROs in Kirkland Middle Schools (City-funded portion) ⁸	755,856	587,979
Subtotal Police Services	2,686,669	2,148,508
Senior Discounts for Utility and Garbage Services	97,475	125,473
Kirkland Cares (assistance with utility bills from utilities customer donations)	6,450	6,953
Subtotal Recycling & Garbage Collection	103,925	132,426
King County Alcohol Treatment Programs	48,000	56,000
Community Youth Services Program/Teen Center ⁹	534,591	828,043
Rent Subsidy for Youth Eastside Services ¹⁰	78,000	78,000
Recreation Class Discounts	14,000	32,000
Subtotal Other	674,591	994,043
Total Human Services and Related Activities Funding	17,254,105	15,823,335

TOTAL SPENDING PER CAPITA 2021-2022:	\$ 185.06
TOTAL SPENDING PER CAPITA 2023-2024:	\$ 169.11
SPENDING WITHOUT POLICE SERVICES PER CAPITA 2021-2022:	\$ 156.24
SPENDING WITHOUT POLICE SERVICES PER CAPITA 2023-2024:	\$ 146.15

¹ Additional Human Services funding approved by the Council is not included in these figures. The Council approved \$749,196 of CDBG-CV CARES Act funding for Human Services needs; \$526,756 of this is expected to carryover to 2023. Projected carryovers are included in the 2023-24 budget.

² Additional Prop 1 budget of \$186,406 per year was authorized by Council in 2022; of this, \$60,458 will offset the Homeless Outreach Coordinator position.

³ Affordable Housing Sales Tax budget in 2021-22 includes a 2020 carryover of \$123,478. The 2023-24 budget is \$253,726 per year and also includes a projected carryover of \$198,742 from 2022.

⁴ 2021-21 ARCH funding reflects the base budget amount of \$360,689, ongoing funding of \$295,872 from Community Development Block Grants (CDBG), and one-time service package funding of \$830,000. In addition to these amounts, Affordable Housing in Lieu fees totaling \$3,449,153 are expected to be remitted to ARCH or directly invested in affordable housing in 2021-22 that are not reflected in the table above. The 2023-2024 Budget includes the same funding elements with adjusted base budget (\$562,567) and CDBG (\$323,566) amounts.

⁵ The Community Safety Responder program was part of the 2021-22 Community Safety Initiative with 4 Community Responders; it was modified to add Lead and Supervisor positions in 2021, incorporating Prop 1 budget for the mental health services consultant from the Neighborhood Resource Officer Program.

⁶ The 2021-22 program originally included mental health professional services budget that was then moved to the Community Responder Program. The 2023-24 program includes budget for 1.63 FTE NROs.

⁷ In 2022, two SRO positions were converted to NRO and ProAct officer positions.

⁸ Program was reduced to 4 SRO positions in 2022, which is reflected in the 2023-24 budget.

⁹ 2023-24 budget includes the full expenses of running the Kirkland Teen Union Building.

¹⁰ Rent is waived completely; figure represents a conservative market rent equivalent.