



MEMORANDUM

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

From: Lynn Zwaagstra, Director
Leslie R. Miller, Human Services Supervisor

Date: September 25, 2018

Subject: HUMAN SERVICES BRIEFING REPORT

City of Kirkland Funding for Human Services

To provide the appropriate context, prior to focusing on human services grant funding, staff has included a summary of the overall human services funding that the City provides in the budget document. Funding for Human Services is incorporated into a variety of operating and non-operating budgets. The following summary provides an overview of Human Services funding.

Program/Funding Source	2017-2018 Budget	2019-2020 Budget
Human Services Program grants (including CDBG) ¹	1,805,815	2,166,141
Human Services Forum and Other Regional Programs ^{1,2,3}	25,000	120,000
Human Services Coordination ³	418,925	505,140
Senior Center Operations ³	1,095,233	790,011
King County Alcohol Treatment Programs	44,714	46,700
A Regional Coalition for Housing (ARCH) ⁴	1,289,200	1,320,574
Community Youth Services Program/Teen Center ³	675,561	577,158
Rent Subsidy for Youth Eastside Services ⁵	55,998	78,000
Domestic Violence and Mental Health Response ^{1,6}	833,402	1,084,742
Police School Resource Program (City-funded portion) ¹	222,827	1,189,916
Senior Discounts for Utility and Garbage Services	78,384	91,402
Kirkland Cares (assistance with utility bills from utilities customer donations) ⁷	8,000	6,450
Specialized Recreation Program	14,000	14,000
Recreation Class Discounts	6,000	6,000
Total Human Services Funding	6,573,059	7,996,234

TOTAL SPENDING PER CAPITA 2017-2018: \$ 75.85
TOTAL SPENDING PER CAPITA 2019-2020: \$ 91.66

¹ Includes funding for mental health and human services programs (\$352,953), homelessness reduction (\$100,000), mental health services supporting public safety efforts (\$180,000), and additional school resource officers (\$1,189,916) conditional on passage of the Enhanced Police Services and Community Safety Ballot Measure in November 2018.

² In addition to these amounts, Real Estate Excise Tax revenues totaling \$1,500,000 was dedicated to funding for facilities to provide housing for the homeless as provided for in RCW 82.46.037 (1)(b) in the 2017-2018 Budget (2017-22 CIP Update) that is not reflected in the table above.

³ A reorganization in the Parks and Community Services Department during the 2017-2018 biennium in conjunction with the rollout of a new chart of accounts developed for the new financial system has resulted in changes to what is and is not included within these categories. As a result, figures for 2017-2018 may be overstated.

⁴ 2017-2018 ARCH funding reflects the base budget amount of \$209,200, ongoing funding of \$250,000 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 \$1,366,850 have been remitted to ARCH or directly invested in affordable housing in 2017-2018 that are not reflected in the table above. The 2019-2020 Preliminary Budget includes the same funding elements with adjusted base budget (\$234,550) and CDBG (\$256,024) amounts.

⁵ Rent was \$1/year in 2017-2018, now waived completely in 2019-2020; figure represents a conservative market rent equivalent.

⁶ 2017-2018 funding includes only domestic violence response services. Proposed mental health response services are incorporated in 2019-2020 Preliminary Budget.

⁷ Reduction is a result of fewer donations received than in prior years.

Current Human Services Grant Funding

The City supports human services grants by providing leadership, facilitation and funding regionally. This regional approach to funding and providing human services allows the City to act as a catalyst for improving the quality of life for Kirkland residents and makes the City's dollars go farther. Kirkland has worked with other King County cities to help agencies access regional funding more easily by:

- ✓ Providing an on-line joint funding application with 16 other King County cities;
- ✓ Launching a regional online data collection system that allows for consistent information and a better alignment of programs and funding;
- ✓ Participating in a pooled funding program with some north and east city funders to streamline the invoicing process for some of the programs the cities jointly fund.

Within its overall human services funding commitment, the City allocates funds to outside agencies to provide a variety of human services programs. The total amount budgeted for human services granting was \$872,907 for the 2017-2018 biennium (each year). In addition, a portion of the Community Development Block Grant (CDBG) funding \$64,378 was directed to grants, bringing the total biennial contribution in 2017-2018 to \$1,810,192.

City funding for grant programs has been derived from both ongoing funds approved in the Parks and Community Services Department's base budget as well as one-time supplemental funding as authorized by the City Council during each budget cycle. The following table provides overall approved funding amounts made available for granting over the past decade.

City of Kirkland Funding for Human Services Grants 2011 – 2020

Year	Population	Ongoing Funding Base Budget	Supplemental One-time Funding	CDBG	Total Funding	Per Capita
2011	49,020 ¹	\$459,481	\$117,656	\$0	\$577,137	\$11.77*
2012	81,480	\$656,944	\$0	\$0	\$656,944	\$8.06
2013	81,730	\$656,944	\$44,814	\$0	\$701,758	\$8.59
2014	82,590	\$656,944	\$44,814	\$0	\$701,758	\$8.49
2015	83,460	\$656,944	\$114,679	\$24,470	\$796,093	\$9.54
2016	84,680	\$656,944	\$129,679	\$29,892	\$816,515 ²	\$9.64
2017	86,080	\$701,758	\$171,149	\$30,691	\$903,598	\$10.50
2018	87,240	\$701,758	\$171,149	\$33,687	\$906,594	\$10.39
2019	87,240	\$701,758 ^{3,4}	\$171,149 ³	\$33,687	\$906,594 ^{3,4}	\$10.39
2020	87,240	\$701,758 ^{3,4}	\$171,149 ³	\$33,687	\$906,594 ^{3,4}	\$10.39

¹ Kirkland 2011 population prior to June 1 annexation

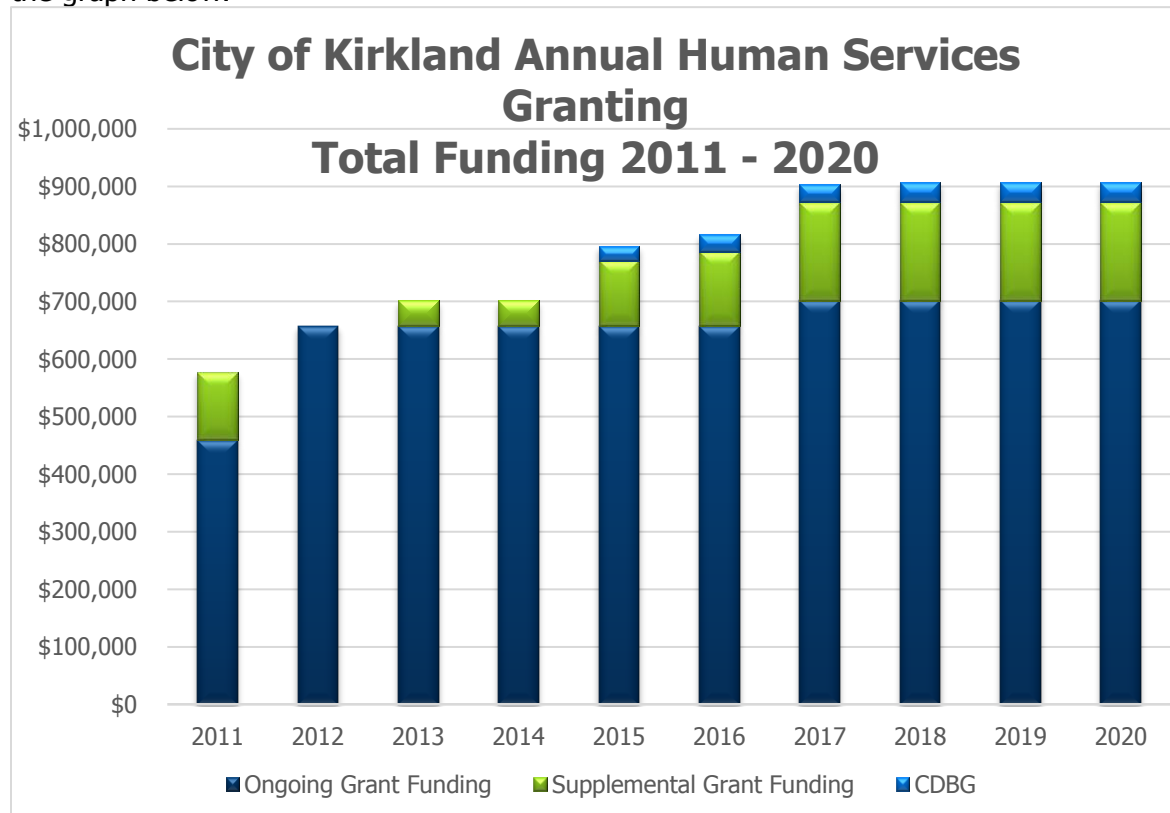
² 2016 includes one-time contribution from the Council Special Projects Reserve for the Eastside Winter Shelter for Families (\$15,000)

³ As proposed in 2019-2020

⁴ Funding shown excludes additional grant funds proposed in Proposition 1

*See note on next page regarding 2011 per capita calculation

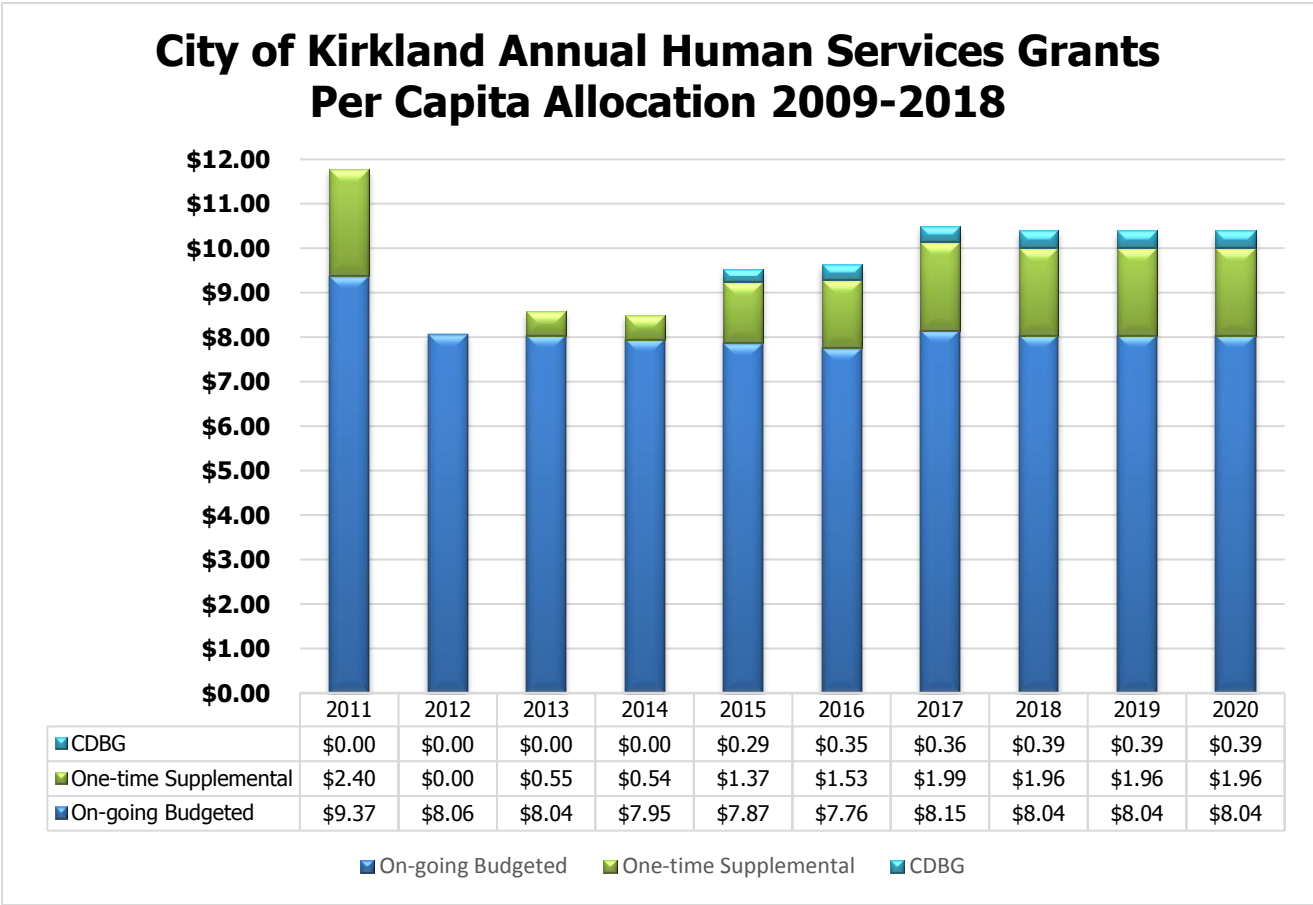
Kirkland’s total funding amount for human services grants has increased annually, as shown in the graph below.



Note: 2019 and 2020 as proposed, excluding Proposition 1

While Kirkland’s total funding for human services grants has increased annually, Kirkland’s on-going grant funding on a per capita basis declined after annexation, as shown on the following page.

*Note regarding 2011, the per capita figure of \$11.77 is based on the pre-annexation population of 49,020. If the post-annexation population of approximately 81,000 was used, the per capita amount would be \$7.13. If a weighted average of 67,675 (5 months at 49,020 and 7 months at 81,000), the per capita figure would be \$8.52.



The economic recession, changes in federal, state and regional allocations, and the scarcity of affordable housing in our community has led to an increase in the number of citizens with unmet basic needs. These trends are reflected in the number and amount of requests for funding from the many agencies serving Kirkland residents. Funding requests for the upcoming biennium have increased by 30% over the 2017-2018 biennium. The City received 91 applications with requests for \$4,080,740 for the upcoming biennium (\$2,040,370 annually). For the 2017-2018 budget period, Kirkland funded about 63.5% of the program funds requested.

Comparison of Funds Requested to Funds Available 2011 - 2020

Budget Period	Kirkland Funds Requested	Kirkland Funds Available	Percentage of Requests Funded
2011-12	\$1,772,826	\$1,234,081	69.6%
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	\$1,813,188 ^{1,2}	44.3%

¹ Includes CDBG

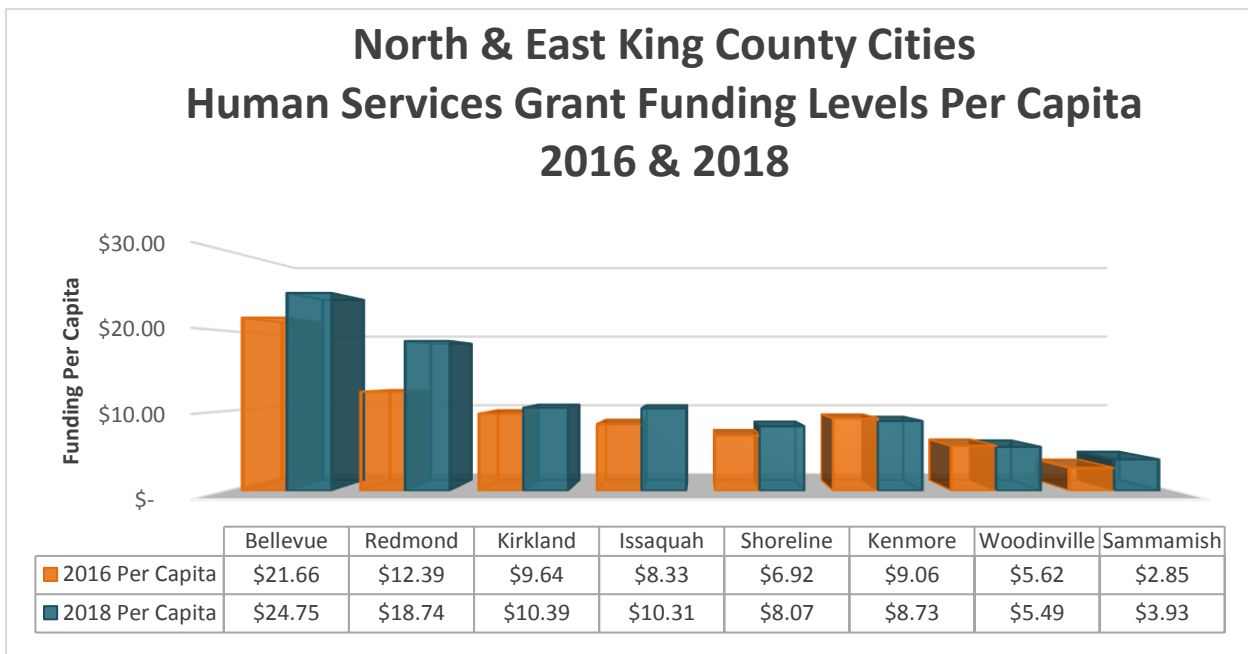
² As requested and proposed in 2019-2020, excluding Proposition 1

Community Development Block Grant (CDBG)

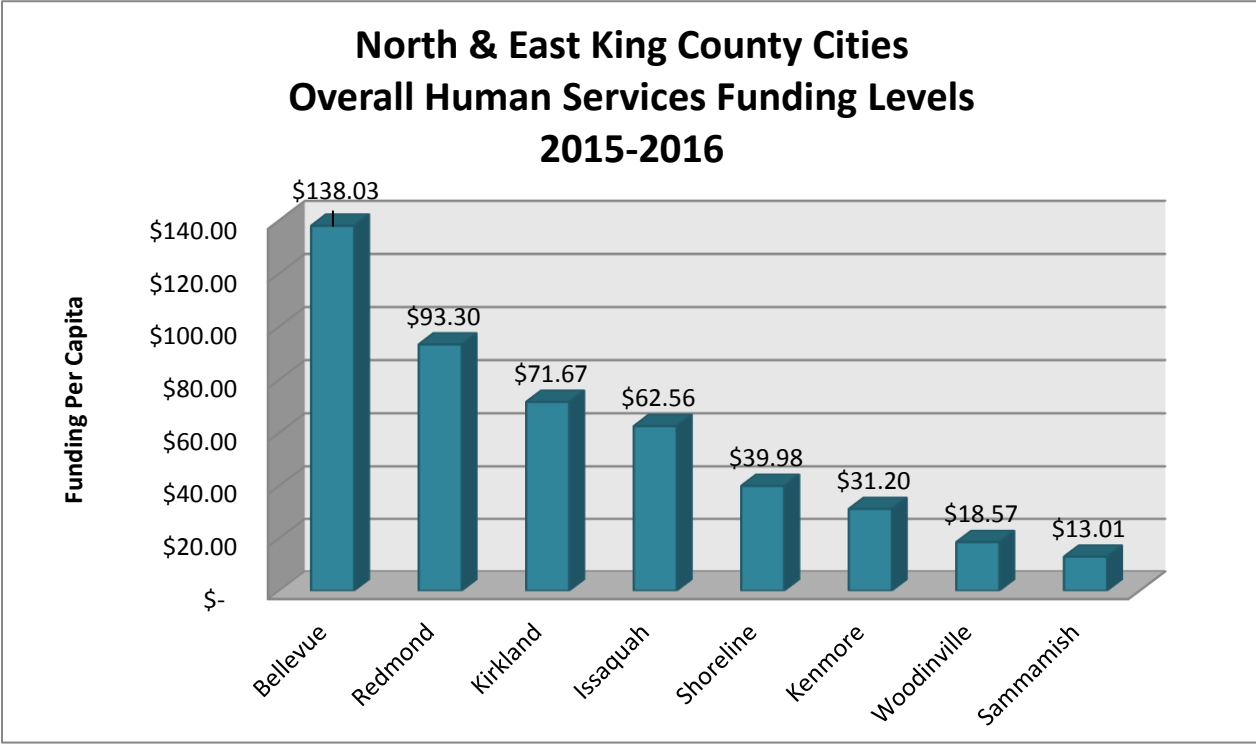
Traditionally Kirkland’s residents benefited from these Department of Housing and Urban Development dollars as part of the King County Consortium. With Kirkland’s decision to become a Joint Agreement City effective in 2015, the City began to directly allocate some of its dollars. Kirkland is projected to receive \$33,687 for human services programs in 2019. These dollars serve as an additional revenue source that may not supplant any ongoing city funding. The Human Services Commission has recommended these funds continue to be allocated to Congregations for the Homeless in 2019.

Comparison with Neighboring Cities

The chart below provides a comparison of our neighboring cities’ funding allocations for human services grants from each city’s General Fund on a per capita basis. These calculations do not include CDBG for other cities.



The next chart provides a comparison of funding by cities for all human services and human services-related activities, including not only grants but also city-funded activities for: seniors, teens, and special populations; affordable housing; substance abuse; and certain public safety activities such as those related to domestic violence and school resource officers.



To provide some context, the table to the right shows the proportion of general government revenues used for human services activities for the 2015-2016 budget periods for each city (actual data for 2017-2018 was not available).

	2015-2016 General Govern- ment Revenues Per Capita	2015-2016 Human Services Expenditures Per Capita	2015-2016 Percentage of Rev- enues For Human Services
Bellevue	\$2,960.90	\$138.03	4.66%
Redmond	\$2,447.08	\$93.30	3.81%
Kirkland	\$1,989.67	\$71.67	3.60%
Kenmore	\$907.04	\$31.20	3.44%
Issaquah	\$2,145.37	\$62.56	2.92%
Shoreline	\$1,115.50	\$39.98	3.58%
Woodinville	\$2,051.50	\$18.57	0.09%
Sammamish	\$1,286.29	\$13.01	1.01%

Human Services Commission Update

The following section provides information about the new Human Services Commission for the City of Kirkland, including staffing and cost considerations.

The City formed a Human Services Advisory Committee in 1986 in order 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 Human Services Commission was established similar to surrounding cities. Several local cities have formed Commission's which meet regularly (at least monthly) throughout the year to provide additional policy guidance to Council and staff. The cities of Bellevue, Federal Way, Issaquah, Kent, Redmond and Sammamish all have Human Services Commissions.

The Human Services Commission spent several months becoming oriented to the various services in the region, needs assessments, and the impacts of services provided. They received numerous presentations, trainings and briefings. City Council charged the commission with using their knowledge to create a defined strategy to meet specified high priority needs in the Kirkland community. According to this guidance, the Commission will provide its recommendations for 2019-2020 grant awards to City Council during the budget process.

The 2019-2020 grant application review process has greatly benefitted from the Commission's work in becoming educated on the needs and services in the community. The Commission has appreciated providing the City Council with advice related to human services issues. Looking forward, the Commission is eager to increase the visibility and awareness for human services and discuss its ongoing role for the City and looks forward to participating in the upcoming City Hall for All event.

Like other official City advisory boards and commissions, a Human Services Commission has required technical and clerical staff support from the Parks and Community Services Department. A service package for one-time funding was approved for 2017-2018. Correspondingly, service packages will again be submitted for 2019-2020 funding to support the Human Services Commission and a growing grant program. The increased workload related to the Commission and the increased investments in human services grants are presented in the City Manager's budget.