

CITY COUNCIL STUDY SESSION

Discussion and information regarding the Human Services Commission's recommended use of 2019-2020 Human Services Fund and 2019 Federal Community Development Block Grant (CDBG) funding from the U.S. Department of Housing and Urban Development (HUD).

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Parks & Community Services

DIRECTION NEEDED FROM COUNCIL**DIRECTION**

Council will review the Human Services Commission's funding recommendations for the 2019-2020 Human Services Fund and 2019 CDBG funding. Final adoption will take place as part of the adoption of the City's budget in December.

RECOMMENDATION

An Ordinance approving the funding plans for the 2019-2020 Human Services Fund and 2019 CDBG funds will be considered by Council concurrent with its approval of the 2019-2020 Operating Budget in December.

BACKGROUND & ANALYSIS

The Human Services Commission reviewed 100 Human Services Fund applications and five CDBG applications over eight meetings to draft their funding recommendations for 2019-2020.

Human Services Fund

The requests received for funding totaled over \$5.6 million, \$2 million more than the \$3.65 million available budget. Of the 100 applications received, 26 were for new programs not currently funded. Five of these new programs are recommended for funding in 2019-2020.

The Human Services budget is calculated according to a formula (base amount + inflation adjustment + population growth). A more detailed description of the Commission's review process and funding recommendations is included in the attached Transmittal Letter from the Human Services Commission Chair (Attachment A).

Human services funds are granted to local nonprofits operating programs that address the continuum of human service needs. This continuum is divided into five community goal areas as identified in the Human Services Element of the Comprehensive Plan:

1. Food to eat and a roof overhead.
2. Supportive relationships within families, neighborhoods and communities.

3. A safe haven from all forms of violence and abuse.
4. Health care to be as physically and mentally fit as possible.
5. Education and job skills to lead an independent life.

Community Development Block Grant (CDBG)

The annual amount of CDBG funding received by the City is based on a formula calculated by HUD. Bellevue’s exact CDBG entitlement amount for 2019 will not be known until after the 2019 federal budget has been adopted. The annual CDBG budget also includes loan paybacks, known as program income, from the Major Home Repair program. The estimated CDBG budget for 2019 is as follows:

2019 Estimated CDBG Entitlement:	\$ 754,998
2019 Estimated Program Income:	\$ 175,000
Unallocated Prior Year Funds:	<u>\$ 250,000</u>
Total Estimated 2019 Funds:	\$1,179,998

The Contingency Plan (Attachment D) outlines how the funding will be allocated if the actual CDBG budget is higher or lower than the estimated amount.

CDBG funds may be awarded to local organizations engaging in activities that are eligible under national objectives defined in federal regulations. For the City of Bellevue, funded activities must meet the national objective to benefit low- and moderate-income persons. Such activities have included:

- Acquisition of real property.
- Rehabilitation/repair of single-family homes.
- Limited public services programs.
- Limited planning and administration of CDBG.

Budget Follow Up

The City Manager transmitted his Preliminary 2019-2020 Budget on October 15. This is the third in a series of several discussions to review the budget prior to budget adoption tentatively scheduled for December 3. The Preliminary 2019-2020 Operating Budget and the 2019-2025 CIP Plan may be found at <https://www.bellevuewa.gov/budgets>. The following table provides an overview of the tentative Council budget process calendar dates:

Proposed Topics	Date
City Manager’s Preliminary Budget Presentation <ul style="list-style-type: none"> • Overview of Total Budget • General Fund and CIP 	Completed
Study Session: <ul style="list-style-type: none"> • Development Services Rate Review • General Follow up from Prior Week (if needed) 	Completed – <i>direction received to return with rate ordinances with budget adoption</i>

Study Session: <ul style="list-style-type: none"> • Human Services Update • Council follow-up, if needed 	November 5
Study Session: <ul style="list-style-type: none"> • Utilities Rates • Operating – Public Safety • CIP – Transportation, Parks, Community Development • Council follow-up, if needed 	November 13
Study Session: <ul style="list-style-type: none"> • Council follow-up, if needed 	November 19
Regular Session: Third Budget Public Hearing	November 19
Study Session: <ul style="list-style-type: none"> • Council Direction for Adoption 	November 26
Budget Adoption	December 3 (tentative)

Staff requests the Council bring the Preliminary Budget document to each of the future Study Sessions scheduled for budget review and deliberations.

POLICY & FISCAL IMPACTS

The Human Services Commission was established by Ordinance No. 3729. This Ordinance directs the Commission to provide recommendations to the City Council on all human services funding requests.

OPTIONS

1. An Ordinance approving the funding plan for 2019 CDBG funds and the Human Services Fund recommendations will be considered by Council concurrent with its approval of the 2019-2020 Operating Budget in December.
2. Provide alternate direction to staff.

ATTACHMENTS & AVAILABLE DOCUMENTS

- A. Letter of Transmittal from the Human Services Commission
- B. 2019-2020 Human Services Fund Recommendations
- C. 2019 CDBG Recommendations
- D. 2019 CDBG Contingency Plan
- E. Application Review Criteria

AVAILABLE IN COUNCIL LIBRARY

N/A