

CITY COUNCIL AGENDA TOPIC

Ordinance 1) adopting the Human Services Commission recommendations for the use of 2026 Community Development Block Grant (CDBG) funds; 2) authorizing the City Manager or designee to submit a proposal to the United States Department of Housing and Urban Development (HUD) for the 2026 CDBG Program and accept a grant award contract from HUD; 3) and authorizing the City Manager or his designee to enter into agreements with grant subrecipients and contractors.

Michael Shiosaki, Director, 452-5377

Toni Esparza, Assistant Director, 452-5379

Ruth Blaw, Human Services Manager, 452-4185

Donna Adair, Human Services Planner, 452-4069

Parks & Community Services Department

EXECUTIVE SUMMARY**ACTION**

Ordinance 1) adopting recommendations for the use of 2026 Community Development Block Grant funds as transmitted by the Human Services Commission; 2) authorizing the City Manager or their designee to submit a proposal to the United States Department of Housing and Urban Development (HUD) for the 2026 CDBG Program and accept a grant award contract; 3) authorizing the City Manager or their designee to enter into agreements with grant subrecipients and contractors.

RECOMMENDATION

Move to adopt Ordinance No. 6878

BACKGROUND/ANALYSIS

Bellevue's exact CDBG entitlement amount for 2026 will not be known until after the 2026 federal budget has been adopted. While there is uncertainty regarding the provision of 2026 CDBG funding, the City must take the steps required by Housing and Urban Development (HUD) to be prepared should funding be adopted in the Federal budget. The annual amount of Community Development Block Grant (CDBG) funding received by the City is historically based on a formula calculated by HUD. The annual CDBG budget also includes loan paybacks, known as program income from the Home Repair Program. The estimated CDBG budget for 2026 is as follows:

2026 Estimated CDBG Entitlement	\$850,000
2026 Estimated Program Income	\$150,000
Total Estimated 2026 Funds	\$1,000,000

The Human Services Commission's (HSC) 2026 CDBG funding recommendations are found in Attachment A. The CDBG Contingency Plan (Attachment B) 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 agencies 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;
- microenterprise business assistance;
- public services programs; and
- planning and administration of the CDBG program.

CDBG funding policy has guidelines that outline the eligible percentage of spending under each category based on the program year entitlement amount and prior year program income for public services funding. The capped amounts are the following:

- 20 percent for planning and administration funding;
- 15 percent for public services funding; and
- all remaining funding for eligible activities.

The Commission recommends funding for planning and administration, which allows staff to administer CDBG funding, monitor programs and activities, and produce the Human Services Needs update. Each year staff complete an annual action plan and a consolidated annual progress evaluation report that is submitted to HUD for approval.

The Commission recommends funding Porchlight (formerly Congregations for the Homeless) with the public services funding. Public services dollars are determined within the biennial human services grant process. These funds were allocated during the 2025 application process and proposed to continue in 2026. Porchlight qualifies under federal guidelines as a provider of services to those experiencing homelessness.

The Commission recommends funding the Bellevue Home Repair program, a direct service provided by the City in collaboration with King County Housing Authority. The program was established in 1976 and provides low- and moderate-income Bellevue homeowners with health and safety repairs enabling individuals and families to stay in their homes and supporting affordable housing stock.

The Commission recommends continuing to fund four micro-enterprise business assistance programs, which fall under other eligible activities, to align with the Council's identified priorities which include building capacity and supporting the growth of innovative approaches to growing childcare programs in the City. These programs align with the comprehensive plan policy to develop strategies that are preventative in their approach to human services needs and that address the underlying systemic inequities that contribute to the need for human services.

The Microenterprise Business assistance programs include the following:

- 4 Tomorrow specializes in serving the Latinx community along with other community members. They have received CDBG funding for the past three years and have successfully reached their goals and outcomes.

- Centro Cultural Mexicano also specializes in serving the Latinx community along with other community members. They have received CDBG funding for the past two years and have successfully reached their goals and outcomes.
- Indian American Community Services specializes in serving the Indian Asian American community along with other community members. They received CDBG funding in 2023 and 2025 and have vast experience with small business support and development.
- Upwards (formerly WeeCare) has experience providing support services to low- and moderate-income home daycare business owners. Services include developing a work plan and offering ongoing support to accomplish goals, including increasing capacity and revenue numbers, and matching providers with families while assisting with enrolling children. They have developed the “BOOST” program, a mobile app that provides an array of resources for parents and childcare providers. They have received CDBG funding for the past two years and have met their goals and outcomes successfully.

POLICY & FISCAL IMPACTS

Policy Impact

The Human Services Commission was established by Ordinance No. 6240. This Ordinance directs the Commission to provide recommendations to the City Council on all human services funding.

HS-11: Encourage culturally competent service delivery that respects the dignity of individuals and families and fosters self-determination and self-sufficiency.

HS-17: Encourage services that support Bellevue’s workforce in maintaining or advancing their employment opportunities.

HS-18: Support an intentional local community response to homelessness with housing and supportive services provided to families, youth and single adults.

Fiscal Impact

This Ordinance accepts a grant from HUD and authorizes the expenditure of an estimated \$1,000,000 to implement the 2026 CDBG recommendations as submitted by the Bellevue Human Services Commission. Funding for these expenditures is provided by an estimated \$850,000 from HUD’s 2026 Estimated CDBG Entitlement, and \$150,000 of 2026 estimated program income.

OPTIONS

1. Adopt the Ordinance 1) adopting the Human Services Commission recommendations for the use of 2026 Community Development Block Grant (CDBG) funds; 2) authorizing the City Manager or designee to submit a proposal to the United States Department of Housing and Urban Development (HUD) for the 2026 CDBG Program and accept a grant award contract from HUD; 3) and authorizing the City Manager or his designee to enter into agreements with grant subrecipients and contractors.
2. Do not adopt the Ordinance and provide alternative direction to staff.

ATTACHMENTS

- A. 2026 CDBG Funding Recommendations

B. 2026 CDBG Contingency Plan
Proposed Ordinance No. 6878

AVAILABLE IN COUNCIL LIBRARY

N/A