

CITY OF BELLEVUE
HUMAN SERVICES COMMISSION
MINUTES

October 5, 2021
6:00 p.m.

Bellevue City Hall
Virtual Meeting

COMMISSIONERS PRESENT: Chairperson Kline, Commissioners Amirfaiz, Ma, Mansfield, McClure, Mercer, Piper

COMMISSIONERS ABSENT: None

STAFF PRESENT: Alex O'Reilly, Dee Dee Catalano, Toni Esparza, Megan Farwell, Department of Parks and Community Services; Deputy Mayor Nieuwenhuis

GUEST SPEAKERS: None

RECORDING SECRETARY: Gerry Lindsay

1. CALL TO ORDER

The meeting was called to order at 6:00 p.m. by Chair Kline who presided.

2. ROLL CALL

Upon the call of the roll, all Commissioners were present.

Chair Kline stated that because in-person meetings are prohibited by the Governor's emergency order, the Commission will be holding its meetings remotely for an unknown period of time. As a result, the Commission's by-laws regarding remote participation and the order of business were suspended until such time as meetings were no longer being held remotely.

3. APPROVAL OF MINUTES

A. September 21, 2021

A motion to approve the minutes as submitted was made by Commissioner Piper. The motion was seconded by Commissioner Ma and the motion carried without objection; Commissioner Mercer abstained from voting.

4. ORAL AND WRITTEN COMMUNICATIONS – None

5. COMMUNICATIONS FROM CITY COUNCIL, COMMUNITY COUNCIL, BOARDS AND COMMISSIONS

Deputy Mayor Nieuwenhuis shared that in early September the City Council received an informational update on Bellevue's homelessness outreach program. He said there had been a couple of incidents in which it was clear that further education for residents was needed in terms of what the City's approach is to homelessness. Staff highlighted the successes, challenges, and the ongoing work to connect those impacted by homelessness to available supportive services in the area. Included in the briefing was an update regarding what the City

is doing in terms of investing in shelters, transitional housing and affordable housing units. During the last Point-In-Time Count, there were a thousand homeless persons counted on the Eastside. The Bellevue School District reported 375 homeless school-age youth attending school in the district for 2020-2021.

Continuing, Deputy Mayor Nieuwenhuis said the Council also received an update from the CEO of the King County Regional Homelessness Authority. The authority was created to coordinate policy, funding, and services for those experiencing homelessness throughout King County. It was reported that the annualized budget of \$140 million is not enough to fully address the issue, that more like \$800 million is needed. The authority is in its ramping up phase that includes the development of a five-year regional homelessness plan. Bellevue and other Eastside cities are participating with the authority in sub-regional planning efforts.

The Council also received an update from A Regional Coalition for Housing (ARCH), one of the City's key affordable housing partners. Their proposed 2022 budget represents a 29 percent increase over the previous year's budget, primarily due to the need to add staff positions, bringing their operating budget to nearly \$1.5 million, of which Bellevue's share is about \$350,000. The update included a quick synopsis of the 40 different contracts being managed along with the Housing Trust Fund. Seven Eastside cities are currently implementing local housing strategies and the Housing Trust Fund currently has more than 100 contracts. ARCH's Bellevue-specific activities include the expansion of incentive programs, investing in affordable housing using HR-1590 sales tax revenues, supporting the City's Affordable Housing Strategy, and supporting specific projects such as transit-oriented development. The Council unanimously approved the ARCH budget.

Deputy Mayor Nieuwenhuis announced the generous donation of \$7.5 million from Amazon to help with the Eastrail project, specifically the Wilburton trestle. When completed, the Eastrail will be 42 miles long stretching from Renton to Snohomish. The portion that passes through Bellevue is seven miles long.

6. STAFF AND COMMISSIONER REPORTS – None

7. PUBLIC HEARING

A. Public Hearing on 2022 Community Development Block Grant (CDB)
Preliminary Funding Recommendations

Grant Coordinator Dee Dee Catalano stated that on September 21 the Commission approved the preliminary 2022 CDBG funding recommendations.

A motion to open the public hearing was made by Commissioner Ma. The motion was seconded by Commissioner Piper and the motion carried unanimously.

There were no members of the public present to offer testimony.

A motion to close the public hearing was made by Commissioner McClure. The motion was seconded by Commissioner Mercer and the motion carried unanimously.

8. DISCUSSION

A. 2022 Community Development Block Grant (CDBG) Final Funding
Recommendations

A motion to approve as final the preliminary recommendations was made by Commissioner

Piper. The motion was seconded by Commissioner McClure and the motion carried unanimously.

B. Discussion of Bellevue Human Services Potential Small Grants Process

Human Services Manager Alex O'Reilly noted that during the 2021-2022 funding allocation process the Commission identified a need to explore how to remove barriers for smaller agencies to apply for funding. The list of ideas talked about included offering small grants, revising the financial eligibility requirements, and in general adding capacity building opportunities and technical assistance for non-profit agencies. Staff researched examples of the approaches taken by other cities and King County that have small grant options, and those examples were shared with the Commission.

The staff also researched and presented to the Commission the revised financial eligibility requirements. In January the Commission discussed the new guidelines that aimed to remove some of the requirements that were barriers for smaller agencies. The Commission approved the new guidelines in March. Under the new guidelines, agencies do not have to have 501(C)(3) status provided they are registered with the state as a charitable organization. The guidelines dictate that agencies that do have 501(C)(3) status must follow all state guidelines regarding audited financial statements and preparing Form 990, depending on their budget size. A provision was included that allows for-profit agencies to apply for funding where a non-profit entity is not available. The new guidelines have been in use since their adoption.

With regard to capacity building and technical assistance possibilities for agencies, Ms. O'Reilly reminded the Commissioners that in March 2020 when the RFP was released for 2021-2022 funding, Eastside cities contracted with Communities Rise to provide pre-application technical assistance for agencies. At the time, however, people were having to use Zoom for the first time and there were no opportunities for in-person technical assistance. Talks are under way with Communities Rise about contracting for something similar in March 2023 when the next round of applications kicks off. The Eastside cities are looking at the possibility of contracting with some other consultants in addition to Communities Rise to offer technical assistance. The opportunity would be advertised to agencies through the ShareOne app process and broadly throughout the community. The assistance would be provided at no cost to the agencies. Eastside cities staff are able to offer some assistance as contracts are developed, but their time is limited. Additionally, some of the funding provided by Amazon can be used to work with Communities Rise on the capacity building cohort. That work will begin in January 2022 with a small number of agencies.

Ms. O'Reilly reminded the Commissioners that the cities of Kent and Federal Way joined forces in 2017 to do a small grants process. They offered the program for only one year following which an outside evaluator was contracted to look at how the process went. The evaluator talked with the agencies that participated in the program as well as staff at the two cities and at King County. It was clear from the review that the level of staff time required is substantial. Some of the agencies participating in the program needed a significant amount of help, particularly those that were single-person operations. Organizations with at least two paid staff did better at completing their contracts.

Additionally, the agencies indicated that the basic grant amount was too small to meet their need. When the Commission first talked about small grants, \$5000 was seen as the maximum amount. The program operated jointly by Kent and Federal Way had \$20,000 as the maximum amount, but even with that level of funding the feedback received was that it was a lot of work for a small amount of money, and that ongoing projects were not feasible at that funding level. The agencies often did not have the money needed to complete their projects because they did not necessarily have any other funding sources to put together a full program budget for both

providing the services and collecting and reporting the data. The evaluation found that regional efforts may be more successful, such as partnering with more than just two cities.

Ms. O'Reilly said Bellevue staff concluded that many of the barriers voiced over the years by small agencies have actually been addressed through the update of the financial eligibility requirements, through offering technical assistance, and through capacity building. Staff also concluded that the level of staff time required to manage small grants is substantial and ultimately the funded programs may not be able to achieve their intended benefits due to a lack of support throughout the whole process. The Eastside cities are doing outreach to smaller community-based organizations and will have assistance available during the upcoming grant cycle. Recently the Eastside cities conducted a virtual information session. There were about 40 participants, including agencies that have never applied for funding, and the Power Point presentation can be sent to any agency that asks for it. The new Capacity Building Cohorts program, which began in January, provides small agencies with extensive support.

There are no additional funds available just for small grants. The Commission typically learns in January or February of the year in which applications are due what the general fund allocation will be for the biennium. It would be possible to set aside a certain amount of funds to not be used for the general application process. To date, some of the organizations that have received HR-1590 and ARPA grants have been smaller agencies, including 4Tomorrow and Centro Cultural Mexicano, both of which serve the Latinx community in Bellevue.

Ms. O'Reilly said one of the findings was that modifying contracting requirements would have to be part of a larger systems change conducted by the City or the county as a whole. For example, some of the requirements for the contract for the phone and online surveys for the Needs Update are very similar to what agencies are required to have in order to contract for Human Services funds, including having a business license, having a certain level of insurance, being registered with the Department of Labor and Industries, and other things that cannot simply be changed.

Ms. O'Reilly said the recommendation of staff was not to implement a small grants process at the current time. The changes made to the financial eligibility requirements and the addition of technical assistance are showing real promise in terms of reaching out to smaller agencies that serve marginalized communities. She added that the staff believe small grants could be considered in the future if it is found that the current changes do not fully address the barriers faced by smaller agencies.

Commissioner Ma concurred with the conclusion of the staff. He commented that small grants of \$5000 are in the realm of what small agencies could procure privately via fundraising.

Commissioner Mercer asked if the \$5000 minimum would continue to be the minimum for the grants process. Ms. O'Reilly said there have been no discussions about changing that minimum. Commissioner Mercer said it made sense to her to move forward with the staff recommendation.

Commissioner Piper concurred as did Commissioner Amirfaiz who said the recommendation is strong. She added that \$5000 may have made sense 20 years ago but it no longer does. She said she would support increasing the minimum in the general fund allocations later on.

Chair Kline said she viewed the issue from the standpoint of the staff work load. In some instances, there may be good arguments in favor of giving an agency only \$5000, but the contracting requirements are so onerous that it does not make sense from a work load perspective. She said she was expecting an avenue for providing smaller grants with fewer

strings and follow-up necessary by staff. Ms. O'Reilly said she had not specifically reached out to the City's procurement staff, the division that determines what legally needs to be part of contracts with agencies. Assistant Director of the Department of Parks and Community Services Toni Esparza said one possible option for awarding grants of less than \$5000 could be to advance the funds rather than the normal reimbursement basis; the awards would have to be less than \$5000 in such cases. Insurance is something risk management and the City Attorney's Office have said could be evaluated on an individual basis if the requirement proved to be a barrier for a small agency. The demographic data would still be required to be reported at the end of the grant cycle, and all backup documentation relative to the use of the funds would also be required.

Chair Kline pointed out that reviewing the backup documentation is what takes so much staff time. Ms. Esparza said the experience of other cities relative to small grants has been that reviewing the backup documentation took even more time proportionally than the larger grants. Ms. Catalano concurred with that assessment, adding that it is a time-consuming process for both the staff and the agency. Chair Kline said she was in favor of fiscal accountability and making sure the dollars are properly used but added that she was hoping to see some dollar threshold below which the onerous requirements could be loosened. She agreed, however, that small-dollar amounts could possibly be better funded from other sources, including fundraising. If the decision is made to not implement a small grant option, a better job will need to be done up front to let agencies know that small dollar amounts will not be available.

Commissioner Ma said the intent behind the small grant path was to reduce the barriers and allow agencies that would not normally be funded to participate in the process. He agreed that the changes made to the financial eligibility requirements have proved to be a step in the right direction. Small-grant amounts would better be pursued privately rather than publicly.

Ms. O'Reilly mentioned that the process is iterative. As such, going forward staff and the Commission will continue to pay attention to the needs of the providers and will do all that can be done to address their concerns and needs.

9. OLD BUSINESS

Ms. O'Reilly reminded the Commissioners that the Commission's October 19 meeting had been canceled, and that would participate in a joint commission meeting on October 26 from 6:00 p.m. to 8:30 p.m.

Ms. O'Reilly informed the Commission that through the diligence of Human Services Coordinator Megan Farwell, there are now nine agencies in the contracting process for ARPA funds. Funds will soon be going out the door to those in need of rental, mortgage, and move-in assistance.

Ms. Catalano reminded the Commissioners that in May the CDBG-CV-2 funding totaling just over \$173,000 was approved by the Commission and allocated to Child Care Resources for subsidized child care and the YMCA for food box delivery. She said the funds flow to the City through the state Department of Commerce, and the contract with the State was finalized only two weeks ago and will be before the City Council for approval on October 25, after which the funds can be dispersed.

10. NEW BUSINESS – None

11. CONTINUED ORAL COMMUNICATIONS – None

12. ADJOURNMENT

A motion to adjourn was made by Commissioner Ma. The motion was seconded by Commissioner Piper and the motion carried unanimously.

Chair Kline adjourned the meeting at 7:10 p.m.