

## CITY COUNCIL STUDY SESSION

Discussion and information regarding the Human Services Commission's recommendations for 2021 Community Development Block Grant funding to prevent, prepare for, or respond to the coronavirus.

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## DIRECTION NEEDED FROM COUNCIL

### DIRECTION

Staff is seeking direction to prepare legislation approving the funding recommendations for 2021 Community Development Block Grant funds to prevent, prepare for, or respond to the coronavirus (known as CDBG-CV).

## RECOMMENDATION

Move to direct staff to return on April 5 with legislation approving the funding plan for 2021 CDBG-CV funds in the amount of \$897,287.

## BACKGROUND & ANALYSIS

On March 27, 2020, the U.S. Congress allocated \$5 billion in supplemental Community Development Block Grant (CDBG) funding as part of the Coronavirus Aid, Relief and Economic Security Act (CARES Act). These funds, known as CDBG-CV, must be used to prevent, prepare for, and respond to the coronavirus. Bellevue received its first allocation of CDBG-CV funds last year in the amount of \$489,287. In May 2020, Council directed the funds be spent to address COVID-9 related needs in the following areas: Homeless Services, Financial Assistance, Childcare, and Legal Assistance. The City will receive a second allocation of CDBG-CV funds in the amount of \$897,287 which was anticipated and included in the 2021 budget.

On January 5, 2021, the Human Services Commission received a briefing on the most urgent needs related to COVID-19. A request for proposals (RFP) was issued on January 11 and closed on February 1. On February 17, the Commission reviewed 15 applications that were eligible for CDBG-CV funding and voted on its preliminary funding recommendations. A public hearing was held on these recommendations on March 2, after which the Commissioners voted to approve their final funding recommendations (Attachment B).

Below is a summary of the data that supports the Commission's decision to focus the CDBG-CV funding in three areas: Rental Assistance, Food Assistance, and Behavioral Health.

### Rental Assistance

According to a January 2021 U.S. Census survey, more than 14 percent of renters in Washington, or 244,007 households, are behind on their rent. Local agencies that provide assistance reported at the end of December that they were running low on funds and are limiting clients to only one month of rent

per year rather than multiple months for 2021.

Both the Washington state and federal eviction moratoriums are currently set to expire after March 31, resulting in what some experts predict will be a “tsunami” of evictions. The Northwest Justice Project estimates that roughly 60,000 to 140,000 people in Washington state are in danger of eviction or mortgage default. King County estimates that nearly 50,000 households are at risk of eviction without rental assistance resources. In an average year, there are 17,000 evictions filed in the state. According to the King County Bar Association’s Housing Justice Project, even a few thousand additional evictions could overwhelm the court system.

### **Food Assistance**

The Washington State Department of Social and Health Services (DSHS) reported that applications for food assistance grew 27.6 percent between March 12 and December 20, 2020, compared to the same period in 2019. Several local nonprofits and the Bellevue School District expressed concern in January that they may not have adequate budgets to buy food due to the volume of need at the end of 2020.

According to King County’s COVID-19 data dashboard, 1,389 households in Bellevue’s zip code 98007 received Supplemental Nutrition Assistance Program (SNAP) benefits in January 2021, representing approximately 11.7 percent of all households. This is an increase of 19.2 percent from January 2019 and a 2.1 percent increase since December 2020.

### **Behavioral Health**

According to DSHS’s February 15, 2021 *COVID-19 Behavioral Health Impact Situation Report*, slightly more than two million adults in Washington reported frequent symptoms of anxiety on all or most days of the previous week, and 1.38 million reported the same frequency of symptoms of depression. In addition, the data shows that those in households earning less than \$25,000 per year and households earning between \$25,000 and \$35,000 per year report the highest rates of anxiety symptoms (51 percent and 55 percent, respectively), and the younger a person is, the greater the frequency of reporting anxiety and depression symptoms. Those who identified as Hispanic or Latinx or two or more races reported the highest rate of symptoms for depression (34 percent) as well as the highest rate of symptoms of anxiety (48 percent).

The National Alliance on Mental Illness (NAMI Eastside) reports that national population-based data estimates indicate that 40 percent of the community is experiencing adverse mental health conditions. With Bellevue’s population of 144,403, that calculates to 57,761 Bellevue residents, and 904,000 residents of King County who need mental health support. NAMI also reports that there is a huge need for culturally competent mental health services to meet the needs of the community.

### **Funding Considerations**

In addition to reviewing the specifics of the programs proposed in the applications, the Commission took into consideration the following factors to ensure equity and good stewardship of the funds:

**The applicant’s experience managing CDBG funds.** The Department of Housing and Urban Development (HUD) recommends that experience managing CDBG or other federal funds be part of the risk assessment when considering potential projects. CDBG funding requires substantial

administrative capacity to both comply with the federal financial regulations and to properly verify and document income eligibility. All agencies recommended for funding have experience managing CDBG funds except for Centro Cultural Mexicano (CCM). CCM successfully administered \$150,000 in federal CARES Act funds for rental assistance from the City of Redmond in 2020 and served over 260 households with rental assistance throughout King County through various sources of funding.

**The program serves a significant percentage of populations that have been disproportionately affected by the pandemic.** The Commission gave weight to programs that served the black, indigenous, and people of color (BIPOC) community and other populations, such as people with behavioral health disabilities, that have been underserved by other funding sources. Of the eight applications recommended for funding, five have indicated serving a large proportion of BIPOC residents. This includes CCM, whose clients are 100 percent Latino and/or BIPOC.

**The agency's demonstrated capacity to disperse the resources in a timely manner and to reach a broad segment of the community.** The recommendations include programs that assist residents residing in shelters, low-income housing sites as well as those living in Bellevue neighborhoods.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

The Human Services Commission is governed by Chapter 3.61 of the Bellevue City Code, which states that it shall review all requests for funding of human services and make recommendations to the City Council.

### **Fiscal Impact**

Based on Council direction, staff will return with legislation approving the funding plan for 2021 CDBG-CV funds in the amount of \$897,287.

## **OPTIONS**

1. Direct staff to return on April 5 with legislation approving the funding plan for 2021 CDBG-CV funds in the amount of \$897,287.
2. Provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. Letter of Transmittal from the Human Services Commission
- B. 2021 CDBG-CV Recommendations

## **AVAILABLE IN COUNCIL LIBRARY**

N/A