

## CITY COUNCIL REGULAR SESSION

Ordinance 1) adopting recommendations for the use of 2022 Community Development Block Grant funds as transmitted by the Human Services Commission; 2) authorizing the submission of a proposal to the United States Department of Housing and Urban Development (HUD) for the 2022 CDBG Program; 3) authorizing the acceptance of a grant award contract with HUD; and 4) authorizing entering into agreements with grant subrecipients.

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*Parks & Community Services*

## EXECUTIVE SUMMARY

This Ordinance adopts the Human Services Commission's 2022 Community Development Block Grant funding recommendations.

## RECOMMENDATION

Move to adopt Ordinance No. 6615

## BACKGROUND/ANALYSIS

The annual amount of Community Development Block Grant (CDBG) funding received by the City is based on a formula calculated by HUD. Bellevue's exact CDBG entitlement amount for 2022 will not be known until after the 2022 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 2022 is as follows:

2022 Estimated CDBG Entitlement:	\$841,239
2022 Estimated Program Income:	<u>\$206,556</u>
<b>Total Estimated 2022 Funds:</b>	<b>\$1,047,795</b>

The Human Services Commission makes recommendations to the City Council each year on how to spend the City's CDBG funding allocation. This year, rather using the Competitive Application Form and issuing a Request for Proposals (RFP), all currently funded CDBG programs were asked to complete an Application Update Form as is allowed by Bellevue's *CDBG Policies & Procedures Manual*:

"If HUD is expected to provide an award that is lesser than or nearly equal to the preceding year's award, the City will use the Application Update Form. This is a shorter version of the Competitive Application Form that provides information to update the Human Services Commission and staff regarding the program operations and goals of programs funded through CDBG in the preceding year."

Staff expects the 2022 CDBG award to be roughly the same as 2021. In past years, there were unspent prior year funds that needed to be allocated in addition to the current program year entitlement amount.

That made it necessary to issue an RFP to solicit additional projects to be considered for the unspent funds. All unspent prior year funds were allocated in 2020 to take advantage of HUD waiving the 15 percent public services cap for projects that prevent, prepare for, or respond to the coronavirus. Those funds have all been expended by the subrecipients. For this reason, and because of increased staff workload due to several additional RFPs this year (CDBG-CV3, SB 1590, ARPA), the decision was made to use the Application Update Form funding process.

Staff reviewed the Application Update Forms submitted by currently funded agencies to ensure that the programs continued to meet a national objective and were eligible CDBG activities. All currently funded programs are meeting the contract requirements in 2021.

The Human Services Commission reviewed the Application Update Forms at their September 21 meeting and voted on preliminary funding recommendations. On October 5, a public hearing was held on those preliminary recommendations, followed by the Commission's vote on October 2 to approve their final 2022 CDBG funding recommendations (Attachment A). The Contingency Plan (Attachment B) outlines how the funding will be allocated if the actual CDBG budget is higher or lower than the estimated amount.

## **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.

Comprehensive Plan, Human Services Element:

- HS-3. Identify opportunities and develop strategies that are preventative in their approach to human services needs.
- HS-4. Allocate funds and other resources across the continuum of human services needs by soliciting proposals from nonprofit agencies and services benefiting low- and moderate-income residents.
- HS-12. Support and actively coordinate with local, regional, and national efforts that address local human services needs to ensure local programs complement programs provided at the county, state and federal level.
- HS-14. Support agencies locating human services facilities in Bellevue and, where appropriate, encourage efficiencies through agency collocation and collaboration.

### **Fiscal Impact**

This Ordinance accepts a grant from HUD and authorizes the expenditure of an estimated \$1,047,795 to implement the 2022 CDBG recommendations as submitted by the Bellevue Human Services Commission. Funding for these expenditures is provided by an estimated \$841,239 from HUD's 2022 CDBG Grant Program, and \$206,556 of anticipated 2022 home repair loan repayment income. Sufficient budget for the CDBG program exists in the 2021-2022 Budget in the Operating Grants, Donations, and Special Reserves Fund.

## **OPTIONS**

1. Adopt Ordinance 1) adopting recommendations for the use of 2022 Community Development Block Grant funds as transmitted by the Human Services Commission; 2) authorizing the submission of a proposal to the United States Department of Housing and Urban Development (HUD) for the 2022 CDBG Program; 3) authorizing the acceptance of a grant award contract with HUD; and 4) authorizing entering into agreements with grant subrecipients.
2. Do not adopt Ordinance No. 6615 and provide alternative direction to staff.

## **ATTACHMENTS & AVAILABLE DOCUMENTS**

- A. 2022 CDBG Funding Recommendations
- B. 2022 CDBG Funding Contingency Plan  
Proposed Ordinance No. 6615

## **AVAILABLE IN COUNCIL LIBRARY**

N/A