

MEMORANDUM



Bellevue Parks &
Community Services

DATE: July 26, 2022

TO: Human Services Commission Members

FROM: Leslie R. Miller, Human Services Manager
Donna Adair, CDBG Administrator & Home Repair Specialist
Parks & Community Services Department

SUBJECT: Proposed 2023 Community Development Block Grant (CDBG) Allocations

The Human Services Commission will determine its draft allocation recommendations of 2023 Community Development Block Grant (CDBG) funds for the City Council's consideration following a staff presentation.

Background

The primary objective of the Federal Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) is to support the development of viable urban communities by providing decent housing, a suitable living environment via community facilities and public infrastructure, and expanded economic opportunities, principally for persons of low and moderate income. Funds are distributed to communities nationwide on a formula basis.

The projected 2023 CDBG funding available is made up of unused funds from previous years, the estimated 2023 entitlement from HUD and the estimated 2023 program income. Repaid deferred housing repair loans are the source of program income.

2023 CDBG REVENUE PROJECTIONS

Revenue Sources	Estimates
Prior Year Funds Available for Reprogramming	\$175,805
Projected 2023 Program Income (Repaid Deferred Home Repair Loans)	\$250,000
Projected 2023 Bellevue Entitlement (based upon 2022 entitlement)	\$808,000
Total Projected Available Funds for 2023 Program Year	\$1,233,805

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BELLEVUE ACTIVITIES WITH PROPOSED FUNDING DISTRIBUTION

Activities	Estimates
Public Services (15% Cap)	\$166,200
Planning & Administration (20% Cap)	\$211,600
Capital (Housing Repair and Microenterprise Programs)	\$856,005
Total Projected Activity Funding for 2023 Program Year	\$1,233,805

RECOMMENDED 2023 PROJECTS

Public Services (15% Cap)

Congregations for the Homeless: 24/7 Enhanced Shelter	\$166,200
TOTAL	\$166,200

The recipient of the public services dollars is determined within the biennial human services grant process. To ensure the activities of the chosen provider qualify under federal guidelines, a provider of services to those experiencing homelessness is recommended as the recipient. The recommended recipient is not favored over other providers. The staff made this provider and program distribution recommendation following the Commission's July 19th consideration of the total amount of 2023-2024 city investment in programs to people experiencing homelessness it will recommend.

Planning & Administration (20% Cap)

Planning	\$136,600
Administration	\$75,000
TOTAL	\$211,600

The Planning & Administration funding pays partially for the costs associated with utilizing the City's Community Development Block Grant.

- Human Services Personnel
 - CDBG Administrator
 - Human Services Manager
 - Human Services Planners
 - Senior Administrative Assistants

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- Needs Update Community Surveys
- Training
- Public notices
- Membership dues to local and national CDBG organizations, e.g., Northwest Association of Community Development Managers and National Community Development Association.

Accomplishments to be completed by staff in 2023 include:

- Develop the Consolidated Annual Performance and Evaluation Report (CAPER) due March 31st
- Develop the Annual Action Plan due each year when the HUD award is announced. This is the annual application to the U.S. Department of Housing and Urban Development (HUD) for funding.
- Monitor projects for compliance with federal regulations, e.g., competitive procurement, environmental review, lead-based paint, ensuring accessibility for disabled and other individuals, etc.
- Process billings from CDBG-funded projects
- Enter data into the HUD Integrated Disbursement and Information System (IDIS), generating reports, and working with Finance Department staff to reconcile figures and to draw funds to meet HUD requirements for timeliness
- Develop plans and procedures for compliance with federal requirements, e.g., environmental review, fair housing, etc.
- Respond to requests for information by HUD and participating in on-site monitoring visits
- Attend CDBG-related trainings
- Complete the 2023-2024 Human Services Needs Update
- Monitor state and federal legislation, including analyzing the impact of the funding and policy changes at the State and County levels
- Participate in regional planning and coordination efforts that benefit low- and moderate-income populations

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Capital (Housing Repair and Microenterprise Programs)

Applicants	Requested Amount	Minimum Request	Recommended Allocation
City of Bellevue Major Home Repair Program	\$500,000	\$450,000	\$585,000
Habitat for Humanity Home Repair	\$150,000	\$30,000	*
Sound Generations Minor Home Repair	\$88,200	\$47,250	**
<i>Home Repair Subtotal</i>	<i>\$738,200</i>	<i>\$527,250</i>	<i>\$585,000</i>
Seattle Business Education Hub	\$250,000	\$100,000	\$100,000
4 Tomorrow: Latino Microenterprise Project	\$150,000	\$85,000	\$85,000
Bighug Korean Resource Center: Microenterprise Growth, Support and Training	\$30,000	\$20,000	\$30,000
Indian American Community Services: Small Business Assistance Project	\$70,000	\$45,000	\$56,005
<i>Microenterprise Subtotal</i>	<i>\$500,000</i>	<i>\$170,000</i>	<i>\$271,005</i>
Capital Total	\$1,238,200	\$697,250	\$856,005

The City of Bellevue Home Repair Program

The program historically includes a contractual relationship between the City and King County Housing Authority (KCHA). KCHA oversees the repair work completed by contractors and submits reimbursement requests to the City for the projects. City staff qualifies applicants, processes the loans, works with KCHA staff, and handles loan paybacks and subordination requests. Program income generated by loan paybacks from the program can be used for any eligible CDBG activities. The overall costs of critical and major home repairs have increased significantly per household due to inflated material costs, supplies and demand. Additionally, contractors are short staffed increasing the time for scheduling repairs. Most contractors are not willing to bid on smaller repairs which is creating a gap in services between Minor Home Repairs provided by Sound Generations and Major Home Repairs. There is additional need for the mid-range repairs in the community that are not being met due to these reasons.

*Staff proposes that in addition to contracting with KCHA, it contracts with Habitat for Humanity to fill the gap between major and minor home repair that currently exists. Habitat for Humanity acts as a general contractor and has staff that can perform moderate home repairs that are difficult to obtain bids from commercial contractors within King County such as deck and fence repairs, siding and exterior painting, accessible ramps, and bathtub to shower conversions. Habitat will oversee the repair work done by their own staff or when needed, sub-contractors will submit reimbursement requests to the City for the projects. Acting as their own

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general contractor increases the ability to serve more homeowners living within Bellevue where commercial contractors are unwilling to bid on smaller budget projects and those homeowners needing necessary repairs are falling through the cracks due to high demand and contractors who specialize in larger budget projects. The division of responsibility between the City and Habitat for Humanity will be the same as between the City and KCHA. Staff recommends full funding for the City's Home Repair Program as well as adding \$85,000 to the budget for a contract with Habitat for Humanity.

****Sound Generations Minor Home Repair**

Sound Generations is currently spending down its 2021 award. Since the program will be spending down its 2022 award of \$44,100 in 2023, staff recommends not funding the program with additional dollars for 2023. The agency fell behind spending its allocated funds because of capacity challenges. City staff is also working with them to improve the agency's internal processes. The agency will be welcome to apply for 2024 funding. Staff recommends no 2023 funding for Sound Generations.

Seattle Business Education Hub

CDBG funds will be used to support employment of one staff to continue to provide training focusing on the needs expressed by entrepreneurs and those seeking to develop microenterprise businesses, with a focus on women and minority business owners or developers. SBEHUB will provide training encompassing a large range of skills and subjects, such as: QuickBooks, business financial analysis, labor standards and compliance training, business plan development, business structures including tax advantages and disadvantages related to structure, e-commerce and social media training and one on one consulting and technical assistance training tailored to nascent entrepreneurs and to business owners. Staff recommend partial funding contingent upon the agency's ability to improve recordkeeping practices and become compliant with all tracking and reporting requirements for 2021, 2022 and future CDBG funding.

4 Tomorrow Latino Microenterprise Project

CDBG funds will be used to hire a CPA, a legal consultant as needed, support part of case manager's salary and the executive director. 4 Tomorrow will create quarterly group cohorts for Spanish speaking Bellevue residents who want to strengthen, grow, or start a business, with a focus on Latina-women owned and startup businesses. 4 Tomorrow will contract with one Spanish speaking CPA to conduct trainings and provide one on one personalized support to cohorts and consult with a Spanish speaking attorney to provide legal advice related to business proceedings for its participants. Funding will help create greater economic stability and security for small business owners as well as the community by increasing access to local at-home childcare and other needed services. Although microenterprise assistance will be a

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new program for 4 Tomorrow, its success with running a large rental assistance for the first time using federal dollars during the pandemic, enables staff to recommend partial funding for this application. Full funding is not recommended because staff believes it is in the best interest of the community for all four microenterprise applicants to be supported. In addition, not all proposed elements of the proposal are eligible expenses.

Bighug Korean Resource Center Microenterprise Growth, Support and Training

CDBG funds will be used to support employment of one half-time staff to provide support and resources for small businesses and their families in the Korean community. The staff person will be dedicated to assisting small business owners with technical assistance and resources in a timely manner. Bighug's goal is to provide access to small business priority needs and provide support to build resiliency for business owners and their families to minimize the financial, health and educational disparities of hard-working and disadvantaged people due to language and cultural barriers. The agency has significant experience in supporting small businesses. The staff recommends full funding of this application.

Indian American Community Services (IACS) Small Business Assistance Project

CDBG funds will be used to hire a Small Business Coordinator to support struggling small businesses with technical assistance for relief applications, workforce training, workshops on setting up businesses with licenses, labor practices, marketing, website development and healthcare access. IACS will primarily serve Asian Indian small business owners within Bellevue. IACS has identified taxi drivers, restaurant and ethnic grocery store owners, dry cleaners, beauty parlors, home operated businesses, childcare as examples of low- and moderate-income business owner needs. IACS has been an important lifeline for small businesses throughout the pandemic. Excluding the budget items that have been deemed ineligible for use of CDBG funding, staff recommends largely funding this application.