



# Proposed 2023 CDBG Funding Recommendations

Bellevue Human Services Commission

July 26, 2022

# Community Development Block Grant Entitlement Program Overview

- ▶ The Community Development Block Grant (CDBG) program is administered by the U. S. Department of Housing and Urban Development
- ▶ The primary objective of the CDBG program is to support low- and moderate-income persons through
  - ▶ Decent housing
  - ▶ Suitable living environment
  - ▶ Expanded economic opportunity

# Community Development Block Grant Entitlement Program Overview (cont.)

All activities must

## 1. meet a **National Objective**

- Benefit low- or moderate-income persons
- Prevent or eliminate slums and blight
- Meet an urgent need

**AND**

## 2. be an **Eligible Activity**

# Community Development Block Grant Entitlement Program Overview (cont.)

## **Eligible Activities:**

- Program Administration
- Planning & Capacity Building
- Public Services
- Rehabilitation
- Microenterprise Assistance
- Public Facilities & Improvements
- Acquisition of Real Property

# 2023 CDBG Application Process

## Staff Review

- **June - July**
  - Staff screened applications to ensure that each project meets a national objective and is an eligible activity
  - Staff review applications and create staff reports
  - Staff provides proposed funding allocation for the Commission's consideration

# 2023 CDBG Application Process (cont.)

## Human Services Commission Review

- **July 26<sup>th</sup> HSC meeting**
  - Consider applications and the proposed staff allocations
  - Vote on draft preliminary funding recommendations
  
- **September 8<sup>th</sup> HSC meeting**
  - Public hearing on draft preliminary funding recommendations
  - Commission votes on final 2023 CDBG funding recommendations either at this meeting or September 20<sup>th</sup>

# 2023 CDBG Application Process (cont.)

## City Council Review

- **October or November Council Meetings**
  - HSC funding recommendations are presented to the City Council
  - The City Council adopts a final allocation

# Estimated 2023 CDBG Funding Available

<b>Revenue Sources</b>	
Prior Year Funds Available for Reprogramming	\$175,805
Projected 2023 Program Income	\$250,000
Projected 2023 Bellevue Entitlement	\$808,000
<b>Total Projected Available Funds for 2023 Program Year</b>	<b>\$1,233,805</b>



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# Proposed Allocation of 2023 CDBG Funding

# Summary of 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
<b>Total Projected Activity Funding for 2023 Program Year</b>	<b>\$1,233,805</b>

# 2023 Public Services Allocation (\$166,200)

## Congregations for the Homeless 24/7 Enhanced Shelter

- Public services dollars are 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 staff made this provider and program distribution recommendation following the Commission's July 19<sup>th</sup> consideration of the total amount of 2023-2024 city investment in programs to people experiencing homelessness.

# Planning & Administration (\$211,600)

Planning	\$136,600
Administration	\$75,000
<b>TOTAL</b>	<b>\$211,600</b>

## **Examples of accomplishments with these funds:**

- Contracting, invoicing, and monitoring agencies
- Meet HUD required documentation, funding draws, communicate regularly with HUD representative
- Microenterprise Support Work Group
- Develop required HUD reports and plans
- Complete the 2023-2024 Human Services Needs Update (staff time and survey expenses)

# Capital Projects (\$856,005)

Capital applications totaling \$1,238,200 fall into two types of projects:

- Rehabilitation (\$738,200)
- Microenterprise Assistance (\$500,000)

# Home Rehabilitation & Repair Programs

- ▶ Home Rehabilitation is an eligible activity as CDBG regulations allow for the use of CDBG funds on rehabilitation of privately owned buildings and improvements for single-family residences
- ▶ Major Home Repair focuses on critical home repairs needed to maintain the integrity of the home and the health and safety of the homeowner and occupants
- ▶ Minor Home Repair focuses on maintenance and primarily minor repairs

## City of Bellevue Major Home Repair (\$585,000)

- ▶ The City of Bellevue has been providing major home repairs to owner occupied Bellevue Residents since 1978.
- ▶ Repairs are provided through 0% deferred loans or grants to low-and moderate-income homeowners
- ▶ Repair Examples: Roof and gutter replacement, water line replacement, major electrical and plumbing repairs, tree removal, and window replacement
- ▶ The City contracts with King County Housing Authority (KCHA) to provide project management for the program and oversees subcontractor work
- ▶ City staff provide administrative services to qualify applicants and execute loan documents

## City of Bellevue Major Home Repair (cont.) (\$585,000)

- ▶ Staff proposes, in addition to contracting with KCHA, Bellevue contracts with Habitat for Humanity to fill the gap between major and minor home repair
- ▶ Habitat acts as a General Contractor and has staff that can perform moderate home repairs, that otherwise, are difficult to obtain bids from commercial contractors through KCHA
- ▶ Examples; deck, porch, stairs, accessible ramps, bathtub to shower conversions, exterior painting, siding repairs, and fence repairs
- ▶ This will increase the ability to serve more homeowners in Bellevue with smaller budget projects that often fall through the cracks due to lack of interest from commercial contractors



# Sound Generations Minor Home Repair

- ▶ Sound Generations provides primarily maintenance and minor home repairs to low- and moderate-income homeowners in Bellevue, Shoreline and Seattle
- ▶ Examples; fixing leaking plumbing, replacing broken toilets and sinks, replacing switches, lightbulbs, and furnace filters, installing grab bars and smoke detectors
- ▶ Sound Generations received reduced funding by 50% in 2022 and currently are still spending their 2021 funds, therefore the City is not recommending funding for 2023. They have experienced capacity issues and staff is working with them on internal processes to reach more residents in need

# Proposed Allocation of Capital Funding for Home Repair 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 (included under the COB Program)	\$150,000	\$30,000	
Sound Generations Minor Home Repair (propose spending down 2022 funds only)	\$88,200	\$47,250	
<b><i>Home Repair Subtotal</i></b>	<b><i>\$738,200</i></b>	<b><i>\$527,250</i></b>	<b><i>\$585,000</i></b>

## **Microenterprise Business Assistance (\$271,005)**

- ▶ A microenterprise is defined as a business having five or fewer employees, one or more of whom owns the business.
- ▶ Microenterprise assistance qualifies under the Low- and Moderate-Income Limited Clientele national objective when the assistance is provided to a low- or moderate-income person who owns or is developing a microenterprise.
- ▶ A “person developing a microenterprise” is defined as a person who has expressed an interest and who is, after an initial screening, expected to be actively working towards developing a business that is expected to be a microenterprise at the time it is formed.

## 4 Tomorrow - Latino Microenterprise Project

- ▶ Create quarterly cohorts for Spanish speaking Bellevue residents
- ▶ Trainings and one-on-one personalized support for business proceedings
- ▶ Funding will help create greater economic stability and security for small business owners and the Latinx community
- ▶ Funds will be used to hire a CPA, legal consultation, and support in part the case manager's salary and ED.

# Bighug Korean Resource Center Microenterprise Growth, Support & Training

- ▶ Funds will be used to support employment of one half-time staff
- ▶ Provide support and resources to small businesses in the Korean community
- ▶ Build resiliency for business owners and their families minimizing financial, health, and educational disparities of disadvantaged people due to language and cultural barriers

# Indian American Community Services Small Business Assistance Project

- ▶ Support struggling small businesses with technical assistance for relief applications
- ▶ Workshops on obtaining business licenses, labor practices, marketing, web development
- ▶ Funds will be used to hire a small business coordinator
- ▶ They have been an important lifeline for small businesses throughout the pandemic and have experience with CDBG coronavirus funds

# Seattle Business Education HUB

## Technical Assistance & Financial Literacy

- ▶ They will provide training such as QuickBooks, business financial analysis, business plan development and one on one consulting and technical assistance tailored to nascent entrepreneurs and business owners
- ▶ Funds will be used to support employment of one staff to provide training focusing on the needs expressed by entrepreneurs and those seeking to develop businesses
- ▶ Funding for 2023 is contingent upon the agency's ability to come into compliance with federal regulations on recordkeeping practices. Staff is providing technical assistance.

# Proposed Allocation of Capital Funding for Microenterprise Assistance Programs

<b>Applicants</b>	<b>Requested Amount</b>	<b>Minimum Request</b>	<b>Recommended Allocation</b>
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
<b><i>Microenterprise Subtotal</i></b>	<b><i>\$500,000</i></b>	<b><i>\$170,000</i></b>	<b><i>\$271,005</i></b>



Do Commissioners have any questions or concerns about the proposed staff allocations?



Slides to use if specific questions arise

# Low- and Moderate-Income Benefit

Limited Clientele: Activities that benefit low and moderate income (LMI) persons (e.g. services for seniors, homeless shelters, microenterprise assistance).

- 51% of participants are documented as LMI; or
- Participation is limited to LMI area only; or
- Presumed benefit clientele:
  - Activity must exclusively serve abused children, elderly persons, battered spouses, homeless persons, adults with severe disabilities, illiterate adults, persons living with AIDS, or migrant farm workers.

## Low-and Moderate-Income Benefit, Cont'd

### Low- and Moderate-Income Housing:

- Structures must be occupied by low/mod income households.
- Activities include homeowner rehabilitation.