

## CITY COUNCIL STUDY SESSION

Overview of new Community Development Block Grant (CDBG) Funds made available to assist with the response to COVID-19.

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## DIRECTION NEEDED FROM COUNCIL

### DIRECTION

Staff is seeking direction to prepare plans and an Ordinance to accept and appropriate new Community Development Block Grant funds directed to assist with the response to COVID-19. This new appropriation from the federal government is referred to as CDBG-CV. The Ordinance and plan will provide authority to expend the new funds as well as existing unspent CDBG dollars. Once Council provides direction, staff will bring forward the documents necessary for approval at a future meeting.

## RECOMMENDATION

Provide direction to staff to prepare associated plans and an Ordinance to allocate new CDBG-CV dollars in the amount of \$489,623 plus \$506,934 from prior years' unspent funds for COVID-19-related expenses incurred for homeless services, emergency financial assistance, childcare, and legal assistance. In addition, direct staff to seek applications for one additional emergency financial assistance provider with an emphasis on reaching underserved populations. Staff will bring a recommendation back to Council for an additional \$100,000 allocation to an agency identified in this outreach.

Funds Available		Recommended Allocations	
New 2020 CDBG-CV	\$489,623	Homeless Services	\$489,623
<u>Unspent prior CDBG</u>	<u>506,934</u>	Financial Assistance	206,934
Total	\$996,557	Childcare	150,000
		<u>Legal Assistance</u>	<u>150,000</u>
		Total	\$996,557

## BACKGROUND & ANALYSIS

On March 27, the U.S. Congress approved additional funding in the CDBG program totaling \$5 billion for program year 2020. Of the total, \$2 billion is a direct allocation to state and local governments through the regular program formula (all grantees that received a CDBG allocation in Fiscal Year 2020 (FY20) will receive this funding). Bellevue will receive \$489,623 in additional 2020 funds, referred to as "CDBG-CV" funds.

The use of 2020 CDBG-CV funds for public services is contingent upon the funds being spent for services related to preparation, prevention, and/or response to COVID-19. A key provision in the Congressional approval suspends the 15 percent cap on human services. It also suspends this cap for any unspent funds from past years, again contingent upon the funds being spent for services related to preparation, prevention, and/or response to COVID-19.

The City of Bellevue has \$506,934 in unspent funds from prior years that can be allocated to fund public services related to preparation, prevention, and/or response to COVID-19.

Staff recommendations for funding are based on data accumulated from the City's Human Services Needs Update, agency provider feedback, and data accumulated at a county, state, and federal level. These data were used to assess greatest need and potential for impact among eligible CDBG activities. Below staff will explain areas of need recommended for funding with these CDBG dollars, and further below will explain areas of need that are not currently being recommended for funding with these CDBG dollars.

### **Homeless Services**

The Eastside has four shelters serving those who are experiencing homelessness: Congregations for the Homeless for men, the Sophia Way for women, Catholic Community Services for families, and Friends of Youth for 18-24-year-old young adults. All four Eastside shelters have seen increased demand during the pandemic. This, coupled with the increased costs of responding to COVID-19, has taxed their systems, almost to the breaking point. While King County has provided financial assistance to cover the costs of hotels, which is helping with increased demand, the shelters are still facing drastic cost increases associated with extra staffing, food and sanitation expenses in compliance with direction from Public Health Seattle-King County, the Washington Department of Health, and the CDC.

Cumulatively, the four Eastside shelters are estimating their direct costs related to COVID-19 response to be close to \$900,000 through the end of May.

Without additional funding, shelters risk reduction in services or even closures. These shelters serve some of our most vulnerable residents and without support, these residents face a drastically disproportionate risk of contracting COVID-19 and a higher risk of transmitting the virus. In addition, residents who are experiencing homelessness have less access to health care and hygiene facilities.

While all four shelters serve the entirety of the Eastside, Congregations for the Homeless and The Sophia Way are both currently operating in Bellevue; Catholic Community Services operates in Kirkland; and Friends of Youth operates in Redmond.

### **Emergency Financial Services**

The need for emergency financial assistance continues to mount. Providers have reported that the demand for assistance is two-to-three times higher prior to COVID-19. And as residents continue to face wage losses and unemployment increases, this demand is expected to only grow larger. Families are facing the need for assistance for multiple months. In addition, families who have never before needed to seek assistance, are now faced with that need.

Additional funding in this area could be provided to a current service provider, in addition to extending some dollars to a new provider in the community with a focus on reaching underserved residents. Applications could be accepted, and the Human Services Division could return to Council with a recommendation within one-to-two months for the portion allocated to an agency that we do not currently contract with for Emergency Financial Assistance services.

### **Childcare**

Without reliable and affordable childcare, parents will not be able to return to work when the Stay Home/Stay Safe order ends. Even before the COVID-19 pandemic, East King County costs for childcare were the highest in the county, making it hard for families to afford the cost of care. A family with one infant and one pre-school child could experience costs close to \$32,000 a year.

Forecasting by King County shows that 50-75 percent of childcare providers will likely not be able to reopen due to loss of income due to the pandemic. In addition, the unemployment and loss of jobs and school closures as a result of the coronavirus will increase the demand for families who will need assistance to pay for childcare in the coming months.

Additional funding in this area would be dedicated to providing additional childcare subsidies to families. Similar to emergency financial assistance, these subsidies would offset the cost of childcare which will help families who are being financially impacted during the pandemic.

### **Legal Services**

Agencies are reporting increased demand for legal services for domestic violence protection orders, immigration issues, landlord/tenant disputes, and predatory practices. Eastside Legal Assistance Program (ELAP) has reported that this crisis is "...causing new problems for people with unexpected medical bills, evictions, unemployment and other financial challenges. Our attorneys are working with these individuals to help them find a legal solution."

In addition, survivors of domestic violence and their children who are sheltering in place with abusive partners due to COVID-19 are at great risk for further abuse. Bellevue Police Department has reported a 25 percent increase in calls for domestic violence-related incidents. Lifewire, a local agency serving survivors of domestic violence, reports that it is seeing a dramatic increase in the number of survivors seeking legal help, especially with filing Domestic Violence Protection Orders. Their legal advocates have made protection orders a priority, and one week in mid-April worked on three times the number of applications they received in a typical week before the pandemic. The Eastside Legal Assistance Program reports that calls to their Hotline from survivors of domestic violence are increasing every week since the pandemic began as well.

Additional funding to legal advocacy agencies would increase the legal assistance available to the most vulnerable members of our community. Data sources identified other areas of need but are not currently being recommended for this CDBG-CV funding. Such service areas are explained below.

### **Food Assistance**

The demand for food assistance continues to rise. Community providers have not yet identified an unmet need although they foresee the potential for the need to exceed the supply. However, at this

time, provision of food resources in the community has increased rapidly through the collective work of residents, non-profit providers, the faith community, and the school district.

### **Economic Development**

While business owners and their employees have been significantly impacted as a result of the COVID-19 response, staff has not elevated CDBG-CV funds for this constituency need due to restrictions associated with CDBG rules, long lead time, and uncertain value for the investment. As the Economic Development team reported to Council on April 20, the City has deferred B&O tax payments to provide immediate relief where possible; aggregated and communicated the most up-to-date information on public and private sector resources available to support businesses, nonprofits and employees; proactively communicated with our top 20 employers, hundreds of small businesses and our arts and culture nonprofits to understand their challenges and ensure they're connected to resources and information; provided free one-on-one technical assistance to businesses and nonprofits, in any language, to help them navigate relief programs, ensure they are loan-ready, and assist with applications; and taken a leading role in convening our regional partners and coordinating our efforts to leverage and maximize the impact of our limited resources. Our Economic Development team will continue these efforts and look for other opportunities and tools to support resiliency and recovery.

## **POLICY & FISCAL IMPACTS**

### **Policy Impact**

Recommendations for the use of CDBG funds are supported by the following goals and policies as cited in the City of Bellevue Comprehensive Plan:

#### **GOALS & POLICIES**

*GOAL Create a community in which each and every member has the ability to meet their basic physical, economic, and social needs, and the opportunity to enhance their quality of life.*

*Comprehensive Plan Sections:*

*HS-4. Allocate funds and other resources across the continuum of human service needs by soliciting proposals from nonprofit agencies for services benefiting low- and moderate-income residents.*

*HS-8. Make Bellevue a welcoming, safe and just community marked by fairness and equity provided to those disproportionately affected by poverty, discrimination and victimization.*

*HS-11. Encourage culturally competent service delivery that respects the dignity of individuals and families, and fosters self-determination and self-sufficiency.*

*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-13. Encourage partnerships among public and private institutions, schools, human services providers, and others to collectively address needs of children and families using schools as a focal point for the community.*

*HS-16. Provide leadership and work in partnership with community agencies to encourage and promote the development and expansion of the supply of affordable, accessible, and quality child-care which meets the diverse needs of the community in all areas of the City.*

*HS-18. Support an intentional local community response to homelessness with housing and supportive services provided to families, youth and single adults.*

### **Fiscal Impact**

Pursuant to Council Direction, staff will take the required steps to bring back the necessary materials for Council to accept CDBG dollars and allocate them.

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### **OPTIONS**

1. Provide direction to staff to prepare associated plans and an Ordinance to allocate new CDBG-CV dollars in the amount of \$489,623 plus \$506,934 from prior years' unspent funds for COVID-19-related expenses incurred for homeless services, emergency financial assistance, childcare, and legal assistance. In addition, direct staff to seek applications for one additional emergency financial assistance provider with an emphasis on reaching underserved populations. Staff will bring a recommendation back to Council for an additional \$100,000 allocation to an agency identified in this outreach.
2. Provide direction to staff to prepare associated plans and an Ordinance to allocate new CDBG-CV dollars in the amount of \$489,623 plus \$506,934 from prior years' unspent funds for COVID-19-related expenses incurred for homeless services, emergency financial assistance, legal assistance, and childcare.
3. Provide alternative direction to staff regarding allocating CDBG and CDBG-CV funds.

### **ATTACHMENTS & AVAILABLE DOCUMENTS**

N/A

### **AVAILABLE IN COUNCIL LIBRARY**

N/A